

**TOWN OF WINDSOR, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2016**



**For the Fiscal Year Ended June 30, 2016**



# **The Town of Windsor, Connecticut**

## **Comprehensive Annual Financial Report**



**Fiscal Year Ended June 30, 2016**

**Prepared by:  
Department of Financial Accounting & Reporting**

**James Bourke  
Finance Director**

**Linda Collins  
Assistant Finance Director**



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## **Introductory Section**





First in Connecticut. First for its citizens.

December 19, 2016

To the Honorable Mayor and  
Members of the Windsor Town Council  
Town of Windsor, Connecticut

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Windsor, Connecticut (the "Town") for the fiscal year ended June 30, 2016. The CAFR is presented in three sections: introductory, financial and statistical. This report follows the format for annual financial reports that the Government Accounting Standards Board suggests and the Government Finance Officers Association promotes through the Certificate of Achievement for Excellence in Financial Reporting program.

State law requires that every general-purpose local government publish a complete set of audited financial statements each fiscal year within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, has issued an unmodified opinion on the Town of Windsor's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial statement section of this annual report.

The independent audit of the financial statements of the Town of Windsor was part of a broader state and federally mandated Single Audit designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls over financial reporting and compliance for each major federal and state program. These reports are available in the Town of Windsor's separately issued Federal and State Compliance Reports.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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The financial reporting entity (the government) includes all the funds of the primary government (i.e., the Town of Windsor as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. There are no agencies or entities that should be, but are not, combined with the financial statements of the Town.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Windsor for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 31st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Profile of the Town of Windsor**

Windsor is the location of the first English settlement in Connecticut, settled in 1633 by a congregation relocating from the Plymouth Colony. Bordering Hartford to the north, Windsor covers a 31.1 square mile area on the west bank of the Connecticut River. It is located an equal distance from New York and Boston. The Town center is only minutes from Bradley International Airport and is also well served by a railway to New Haven and New York. Interstate 91, a major expressway to New York and northern New England, traverses the Town, as does the Farmington River.

The Town of Windsor is organized under the Council-Manager form of government. The Town Charter was recognized in the 1947 session of the General Assembly of Connecticut and approved by a referendum vote of the Town in the same year. It has been amended by a special act of the State Legislature and in 1998 by local referenda under the permissive features of the home rule law for Connecticut municipalities.

A bipartisan Council of nine members elected biennially performs the legislative function. The Town Council elects a Mayor from its membership for the two year term. The Town Manager is the Chief Executive Officer of the Town and is directly responsible to the Town Council for the administration of municipal operations.

The Town provides a comprehensive range of municipal services as directed by the statutes of the State of Connecticut and the charter of the Town of Windsor. These include: education, library services, recreation, health, social services, police and fire protection, regulation of commercial development, construction and maintenance of public infrastructure, and general administrative services.

Other highly desirable services are available, with no or limited impact on taxpayer dollars, through the Town of Windsor's four enterprise funds; the Discovery Center provides early childhood education to Windsor residents and employees of local businesses. The Caring Connection provides an alternative to institutional care for elderly and handicapped adults in the town. A sanitary landfill operating in conjunction with the Town of Bloomfield discontinued accepting municipal solid waste (MSW) as of June 30, 2014 and is currently undergoing capping and closure activities. A recycling and transfer station facility continues to operate on the site for residents of Windsor and Bloomfield, and became a distinct, stand-alone enterprise fund on July 1, 2014.

In addition to general government activities, the Town Council oversees the Town of Windsor Defined Benefit Retirement Plan and it is therefore included in this reporting entity. As part of the FY 2012 budget process, management took steps to reduce the town's cost of providing retirement benefits for future employees resulting in the Town Council amending the Personnel Rules requiring all non-affiliated full-time employees hired after July 1, 2011 to participate in a 401(a) defined contribution plan. As of July 1, 2013 all new employees (except public safety officers) participate in the 401(a) defined contribution plan. This plan is not included in the reporting entity as it does not meet the reporting criterion. In addition, the Metropolitan District Commission, the Wilson and Windsor Fire Districts and the Windsor Volunteer Ambulance Association have not met the established criteria for inclusion in the reporting entity and are excluded from this report.

Use of this report by Town service units is encouraged when furnishing information to interested parties.

### **Local Economic Condition and Outlook**

Long-term planning for the efficient use of the Town's land resources began in 1924 and is guided by the Town's Plan of Conservation and Development which is updated at regular intervals. Comprehensive zoning regulations were first adopted in 1931 and have been revised periodically as necessary. Residential development in Windsor is primarily of the single family, owner-occupied type, but with some multi-family rental as well as condominium development. With large tracts of land once dedicated principally to agricultural use located at its northern and western perimeter, the Town has been able to make significant progress in attracting new commerce and industry.

The Windsor Town Council has adopted formal, written economic development policies. These policies not only identify the incentives that are available to companies who may wish to locate or expand in Windsor, but also clearly outline the services that Town officials will provide to new and existing businesses. The Town is committed to working with new businesses through all phases of their preparations and ultimate move to Windsor. Town officials are also committed to providing similar, appropriate services for existing businesses in addition to trying to address any concerns that these businesses experience with either local or regional issues.

Windsor is an important regional employment center in New England's Knowledge Corridor. It is strategically located between Hartford, Connecticut and Springfield, Massachusetts on Interstate I-91 and adjoining Bradley International Airport. Windsor maintains a diversified economic base. Major industries include business and financial services, precision manufacturing, software development, regional distribution, data management and hospitality.

With a jobs base of more than 24,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include Hartford Life, VOYA, GE, CIGNA, Eversource, Walgreen Co., Konica Minolta, Amazon and SS&C Technologies.

Since 2000 Windsor has experienced substantial economic growth. More than seven million square feet of new commercial space was constructed during this period including 300,000 square feet of retail, 1.2 million square feet of office, and 5.5 million square feet of industrial/distribution space. In addition, more than 690 new hotel rooms and conference space were built to serve the growing business community. Most recently, Amazon has opened a 1.5 million square foot fulfillment center.

Looking forward, the Town of Windsor is taking steps to sustain its growth and the quality of its development. A variety of initiatives are underway to further improve highway access, manage transportation demand and enhance community livability. All approvals have been granted for a 600-acre mixed-use project in the Day Hill Road corporate area known as Great Pond Village. This project will add value to existing space and provide opportunities for new workforce housing. The Redevelopment Agency is pursuing redevelopment of key properties and planning for development to support and benefit from commuter rail service expansion in the town center beginning in 2018. A key redevelopment project in town center, Windsor Station Apartment Homes, will be completed by the first quarter of 2017. This \$18 million transit-oriented development project contains 130 market-rate units directly across from the passenger rail station. This project will help to meet the need for more rental housing and will enhance the market for retail and services in the center.

### **Long-Range Financial Planning**

Annually, the Town Manager prepares a six-year Capital Improvement Plan (CIP) in accordance with the Town Charter, which is reviewed by the Capital Improvements Committee, Town Improvements Committee of the Town Council, and the full Town Council. The approved 2017-2022 CIP adopted in August of 2016 includes both town general government and Board of Education projects involving road improvements, building renovations, new building facilities, major equipment purchases, and other capital improvements totaling \$166,244,383.

As part of the capital planning improvements process, the Town evaluates funding requirements and prioritization for all projects by conducting a comprehensive debt analysis. This analysis consists of a review of current debt and the impact of incurring future debt on the Town's mill rate, existing debt service, and future operating budgets. A review of the current interest rate environment and various debt structures is also conducted to determine the affordability of additional debt.

A multi-year financial forecast is prepared on an annual basis by the Town Manager and Finance Director for review and discussion with the Finance Committee and Town Council. This process allows the Town to look at issues such as budget sustainability, and provides an opportunity to institute revenue and budgetary changes in a timely manner in anticipation of future events.

### **Relevant Financial Policies**

The following policies are in place to facilitate financial stability and strength of the Town. These policies have helped during budgetary challenges to meet increasing demands and taxpayer expectations with current economic trends and market influences.

- Budget process - The Town Manager is required by the Windsor Town Charter to present to the Town Council an annual proposed operating budget (including the Board of Education) at least thirty days before the date of the budget referendum. The proposed budget contains detailed allocations of projected revenues and expenditures for all of the Town's various funds. During the month of April, the Town Council holds public hearings to hear Town departments present their budgets, to solicit input from the community as to its priorities for the upcoming fiscal year, and to hear public opinion regarding the proposed budget. Once the Town Council approves a final budget, it is put up for a vote at an Adjourned Town Meeting Referendum. If voters do not approve the budget, Town staff and the Board of Education, through the Town Manager, modify and resubmit their proposals to the Town Council and then once again to the voters. Only after the voters have approved the budget can it become the income and spending plan for the town.

- Budgetary Control - Expenditures may not legally exceed budgeted appropriations at the service unit level. The Finance Director is authorized to make budget transfers when the amount is \$5,000 or less. Other transfers require Town Council approval. Quarterly expenditures are reviewed with the Finance Committee. At the end of the fiscal year, the Town Council authorized a budget transfer of \$34,550 from Public Works to General Government and the Finance Director authorized a budget transfer of \$4,730 from the Public Works to Town Support for Education.
- Fund Balance Policy - The Town maintains an available balance in the General Fund as a cushion against potential revenue and expenditure volatility. The definition of what is available balance will be the unassigned fund balance as of the end of the preceding fiscal year. The measure used will be unassigned fund balance as a percentage of current year budgeted expenditures. The unassigned fund balance may be used for non-recurring or capital expenditures, unanticipated budget deficits or operating emergencies, debt service payments or reduce debt service, and property tax or revenue stabilization as part of an overall strategy. The Town Council has enacted a policy that the Town's unassigned General Fund Balance shall meet a minimum of 15% to 20% of the current year's General Fund budget. At June 30, 2016, in accordance with GASB 54, the Town's General Fund unassigned fund balance of \$19,642,852 represented 17.7% of the FY 17 adopted budget of \$110,862,990. If the unassigned fund balance falls below the minimum level, the Town Council will replenish the fund balance during the annual budget process by appropriating at least 25% of the difference between the policy level and the unassigned fund balance each year until the policy level is met.

The Town Council has also enacted a policy that the Town's Capital Project Fund assigned fund balance will be kept to no less than the sum of 20% of the 6 year average of the annual cash portion of the Capital Improvement Plan, plus \$350,000. On June 30, 2016 the required balance in accordance with the Town's policy was \$432,000. The June 30, 2016 Town's Capital Project assigned fund balance was \$987,525.

- Cash Management - The Town's Investment Policy applies to all financial assets of the Town, with the exception of the defined benefit retirement plan, Other Post Employment Benefit (OPEB) Trust, and state and federal grant funds. The primary purpose of the policy is to provide for the prudent and productive investment of funds. The Town authorizes the Finance Director to act as the investment officer. Investments are allowed in any financial institution in accordance with this policy, as well as the provisions of Connecticut General Statutes Sections 7-400-402, 3-24f, 3-27f and other applicable state statutes. Additional information on the Town's cash and investment policy can be found in the financial statements in Note 3.
- Purchase Orders - Upon award of a bid, proposal or quotation, a purchase order shall be initiated in accordance with Town policy. Purchase orders are required for all purchases greater than or equal to \$5,000. In cases where a vendor requests a purchase order for items under \$5,000, one shall be issued. Equipment repairs, utility bills, membership dues, advertising, grants and contributions do not require a purchase order. When a General Fund purchase order carries over into the following fiscal year for goods and services that are received and paid for in the next fiscal year, the Town Council must formally extend General Fund budgetary authority to encumber the funds into the next fiscal. There were six FY 16 General Fund open purchase orders as of June 15, 2016, totaling \$73,400.39 that were expected to be encumbered. The Town Council approved these encumbrances on June 15, 2016 through October 17, 2016. All of the encumbrances were fully liquidated by October 17, 2016.

- Procurement Policy - The fundamental objective of all service units in the purchasing function is to procure supplies, materials, equipment, or services required for departmental operations in the right quality and quantity, on a timely basis, as efficiently as possible, and at the lowest cost. In pursuit of this objective, we seek to establish practical and efficient purchasing procedures to obtain:
  - the most value for each tax dollar spent
  - proper commitment and expenditure of Town funds
  - compliance with State and local legal requirements
  - fair and equitable treatment of all vendors who deal with the purchasing system of the Town
  - public confidence in the procedures followed in public purchasing
  - increased economy in procurement activities by fostering effective competition
  - maintenance of a purchasing system of quality and integrity.
  
- Debt Policy – The primary objectives of the Town’s debt policy are to establish conditions for the use of debt, create procedures and policies that minimize the Town’s debt service and issuance costs for the bonds that are issued, retain the highest practical credit rating, maintain full and complete financial disclosure and reporting, and, maintain established levels of debt within certain measures of affordability.

In accordance with the policy the Town shall use an objective analytical approach to determine whether it can afford to assume new general-purpose debt beyond what it retires each year.

- The criteria, or measure, used shall be the ratio of Net Annual Debt Service expenditures to Total Budgeted Expenditures in the General Fund
- The Town will endeavor to limit this ratio to the range of 6% to 8%
- In preparing the Town’s Capital Improvement Plan the Town will limit the dollar amount of bonds that are planned to be issued each year. The limit will be that the annual debt service repayment schedule that results from the proposed bond issues will not exceed the above target.

This measure allows the capital financing to grow along with the level of the Town’s operations.

Outstanding general obligation bonds, including both General Purpose and Schools, at June 30, 2016 totaled \$38,520,000. Changes in bond indebtedness are detailed in Note 7 of this report. The FY 16 General Fund Net Annual Debt Service expenditures of \$6,571,130 as compared to the current year’s Total Budgeted Expenditures in the General Fund of \$106,384,140, equals 6.2%. The Town is rated AAA by Standard & Poor’s. It is the policy of the Town to protect these ratings by adhering to sound financial policies and decisions.

- Defined Benefit Retirement Plan Policy - Investment of the Defined Benefit Retirement Plan Trust Fund assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals as stated in the Town’s Defined Benefit Retirement Plan Trust Fund Policy. The Defined Benefit Retirement Plan Board is charged with the responsibility of overseeing the assets of the Plan. The Defined Benefit Retirement Plan Board reviews the fund performance quarterly to monitor adherence to the policy’s investment guidelines. An actuarial analysis is performed annually. The actuarial funding method was changed from Projected Unit Credit to Entry Age Normal, and the plan’s interest rate assumption was lowered based on a planned multi-year reduction. The reason for these changes is to allow for consistency with new standards set forth in GASB Statement No. 67 as well as Actuarial Standards of Practice recommendations.



- Other Post Employment Benefit (OPEB) Trust Fund Policy - Investment of the OPEB Trust Fund assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals as stated in the Town's OPEB Trust Fund Policy. The OPEB Board is charged with the responsibility of overseeing the assets of the Trust. The OPEB Board reviews the fund performance quarterly to monitor adherence to the policy's investment guidelines.

### **Financial Information**

The Town's management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for spending to be managed within fixed budget limitations and for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Finance Department is responsible for providing the financial services for the Town including: property tax assessment, tax collection, financial accounting and reporting, payroll and accounts payable, risk management, disbursement functions, debt management, retirement plan administration, purchasing, special financial analysis and benefits processing.

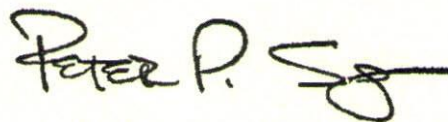
### **Independent Audit**

State statutes require an annual audit be conducted by independent certified public accountants. In compliance with this requirement, the Town Council selected RSM US LLP to perform the audit for fiscal year 2016. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Federal and State Single Audit Acts are included in separate documents.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the hard work and dedication of the Finance Department staff; James Bourke, Finance Director, and Linda Collins, Assistant Finance Director. Their invaluable assistance made the preparation of this report an easier task.

Sincerely,

A handwritten signature in black ink that reads "Peter P. Souza". The signature is written in a cursive, slightly slanted style.

Peter Souza  
Town Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

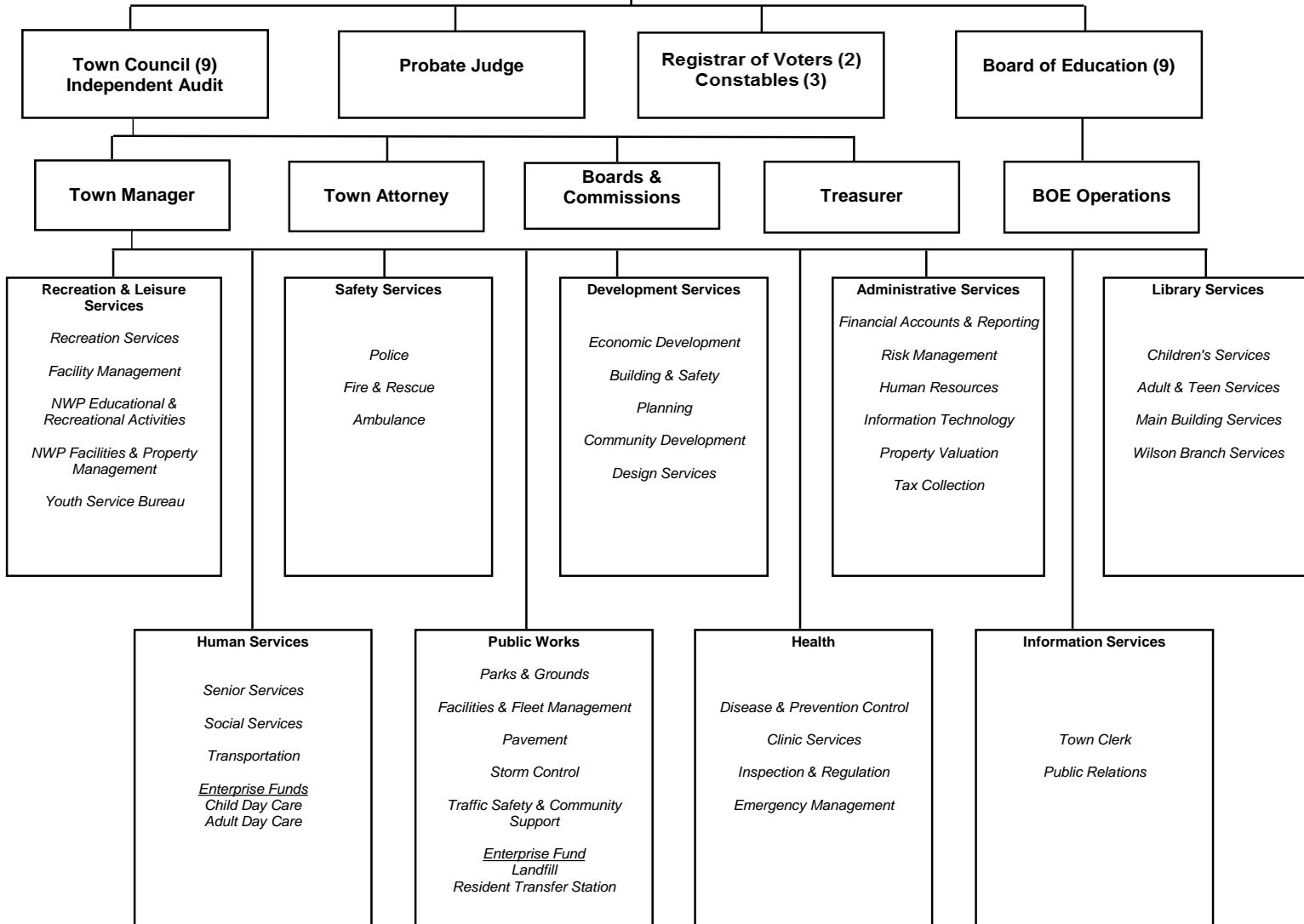
**Town of Windsor  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# Voters of Windsor



**Principal Town Officials**  
**As of June 30, 2016**

Town Council

Donald S. Trinks, Mayor  
Jody L. Terranova, Deputy Mayor  
Alan J. Simon  
James G. Govoni  
Jill D. Jackson-Jenkins  
Donald A. Jepsen, Jr.  
Randy P. McKenney  
Bernard S. Petkis  
Kenneth M. Wilkos

Board of Education

Cristina R. Santos, President  
Leonard O. Lockhart, Vice President  
Richard T. O'Reilly, Secretary  
Paul J. Panos, Minority Leader  
Nuchette M. Black-Burke  
Michaela I. Fissel  
Yvette K. Ali  
Brian D. Bosch  
Melissa Rizzo-Holmes

Appointed Officials

Peter P. Souza, Town Manager  
Dr. Craig A. Cooke, Superintendent of Schools  
Randall I. Graff, Town Treasurer  
O'Malley, Deneen, Leary, Messina & Oswecki, Town Attorney

**Financial Section**





RSM US LLP

## Independent Auditor's Report

To the Members of the Town Council  
Town of Windsor, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Town of Windsor, Connecticut (the Town) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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AUDIT | TAX | CONSULTING

### **Emphasis of Matter—Prior Period Adjustment**

As discussed in Note 16 to the financial statements, during the fiscal year ended June 30, 2016, prior period adjustments were made with respect to the Town's participation in the State of Connecticut Municipal Employees' Retirement System. The System has previously accounted for contributions receivables using present value rather than contract value and the Town recognized a net pension asset from the System for prior service costs. Our opinion is not modified with respected to this matter.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the schedules of investment returns, employer contributions and the schedule of changes in net pension plan liability and related ratios – defined benefit plans, schedules of contributions and the Town's proportionate share of the net pension liability – CMERS plan and the schedule of the Town's proportionate share of the net pension liability – teachers' retirement system, the schedules of funding progress and employer contributions for other post-employment benefits and the General Fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 19, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*RSM US LLP*

New Haven, Connecticut  
December 19, 2016

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**Town of Windsor, Connecticut  
Management's Discussion and Analysis- unaudited  
June 30, 2016**

As management of the Town of Windsor, Connecticut (the Town) we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Windsor for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

**Financial Highlights**

- As of July 1, 2015, the Town restated its net position of the government-wide financial statements. This restatement required that the unrestricted net position of the government-wide financial statements as of July 1, 2015 be restated and increased in the amount of \$5,500,400. The increase did not result from a change in benefits offered to employees. The State of Connecticut changed its accounting method for contributions receivable for the Connecticut Municipal Employees Retirement System (CMERS). See Note 16 on page 66.
- On a government-wide basis, the assets and deferred outflows of resources of the Town of Windsor exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$62.5 million. Total net position for Governmental Activities at fiscal year-end were \$71.2 million, which was a decrease of \$2.6 million from the restated FY 15 net position. Total net position (deficits) for Business-Type Activities were (\$8.7 million), as compared to the \$7.7 million deficit reported in FY 2015. The net deficit for Business-Type Activities is due to post-closure costs for the landfill.
- Government-wide expenses were \$129.5 million, which is an increase of \$3.5 million from FY 15. Government-wide revenues were \$125.8 million, which is an increase of \$862 thousand from FY 15.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$37.4 million, which is a decrease of \$1.7 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$24.4 million, which is an increase of \$766 thousand from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2016, \$19.6 million represents unassigned fund balance. Unassigned fund balance at year-end represents 17.2% of total FY 16 General Fund expenditures and transfers, and 17.7% of FY 17 budgeted expenditures and transfers.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Windsor's finances, in a manner similar to private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. One can think of the Town's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town of Windsor.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period; uncollected taxes are an example.

Both of the government-wide financial statements distinguish functions of the Town of Windsor that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- Governmental activities of the Town of Windsor encompass most of the Town's basic services and include general government, public safety, public works, human services, culture and recreation, and education. Property taxes, charges for services, and state and federal grants finance most of these activities.
- Business-type activities of the Town of Windsor include the Landfill, Resident Transfer Station, Milo Peck Child Development center, and the Caring Connection Adult Day Care center. They are reported here as the Town charges fees to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 15-16 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of funds:

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Educational Grant Programs Fund, which are considered to be major funds. Data from the other governmental funds are

combined into a single, aggregated presentation as other Non-Major Governmental Funds. Non-Major Governmental Funds for the Town of Windsor include the Community Development Block Grant, Cafeteria Fund, J. Bartash Expendable Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Funds and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 78-79 and in the combining statement of revenues, expenditures and changes in fund balance on pages 80-81.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of General Fund revenues on a budgetary basis and General Fund expenditures, encumbrances and transfers out on a budgetary basis can be found on page 74.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 17-18 of this report.

**Proprietary funds.** The Town of Windsor maintains two different types of proprietary funds, four enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Windsor uses enterprise funds to account for its Landfill post-closure activities, Resident Transfer Station, Milo Peck Child Development Center, and the Caring Connection Adult Day Care Center.

Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town of Windsor's various functions. The Town of Windsor uses one (1) internal service fund to account for its risk management costs related to Workers' Compensation, Property, Liability, and Employee and Retiree Health Insurance. Because these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill Enterprise Fund which is considered to be the only major proprietary fund of the Town of Windsor. The report combines the Milo Peck Child Development Center and the Caring Connection Adult Day Care Center and Transfer Station into the non-major funds of the Town of Windsor. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 20-22 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has one Defined Benefit Retirement trust fund, one Other Post-Employment Benefits trust fund, and five agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are in pages 23-24 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in pages 25 to 66 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's governmental activities assets and deferred outflows of resources exceeded liabilities and deferred

inflows of resources by \$71.2 million on June 30, 2016, which was a decrease of \$2.6 million from the restated beginning net position of \$73.8 million.

**TOWN OF WINDSOR CONNECTICUT**  
**SUMMARY STATEMENT OF NET POSITION (DEFICIT) (\$000's)**  
**June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015-16
Current and Other Assets	\$ 62,902	\$ 60,492	\$ 28,379	\$ 29,787	\$ 91,281	\$ 90,279	1.1%
Capital assets, net of accumulated depreciation	103,565	102,144	139	147	103,704	102,291	1.4%
Total Assets	166,467	162,636	28,518	29,934	194,985	192,570	1.3%
Deferred outflows of resources	9,421	4,414	-	-	9,421	4,414	113.4%
Current liabilities	8,284	6,943	97	371	8,381	7,314	14.6%
Long-term liabilities outstanding	92,934	83,123	37,145	37,246	130,079	120,369	8.1%
Total Liabilities	101,218	90,066	37,242	37,617	138,460	127,683	8.4%
Deferred Inflows of resources	3,443	3,110	-	-	3,443	3,110	10.7%
Net Position (Deficits):							
Net investment in capital assets	68,218	65,411	139	147	68,357	65,558	4.3%
Restricted	3,748	3,744	-	-	3,748	3,744	0.1%
Unrestricted	(739)	4,719	(8,863)	(7,830)	(9,602)	(3,111)	208.6%
<b>Total Net Position (Deficits)</b>	<b>\$ 71,227</b>	<b>\$ 73,874</b>	<b>\$ (8,724)</b>	<b>\$ (7,683)</b>	<b>\$ 62,503</b>	<b>\$ 66,191</b>	<b>-5.6%</b>

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$62.5 million in net position for the government as a whole, but negative net position for its business type activities. The negative value is solely attributable to the cost of accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

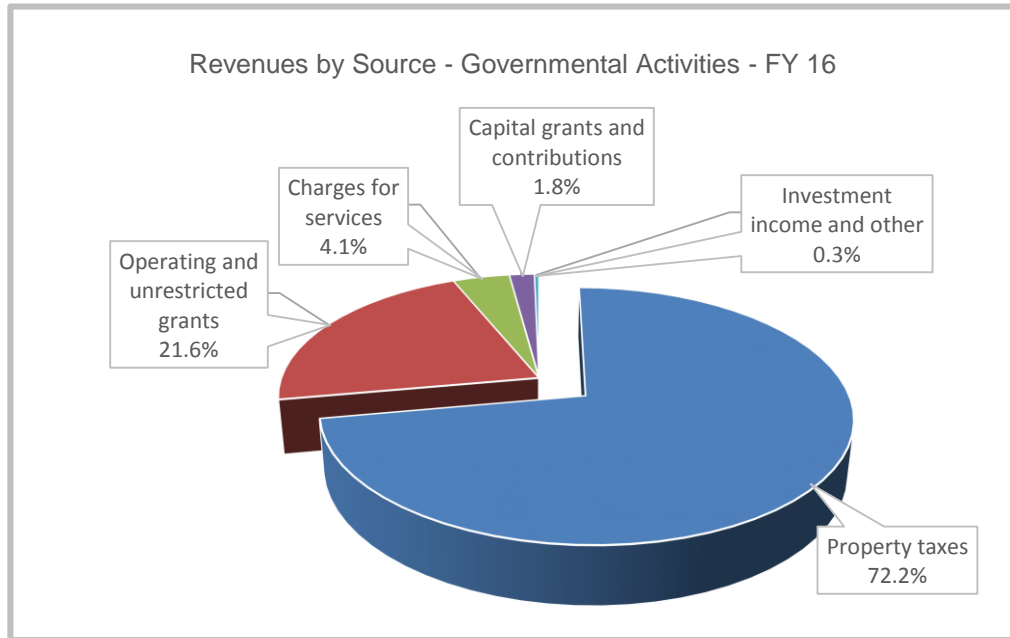
By far, the largest portion of the Town of Windsor's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Windsor's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF WINDSOR CONNECTICUT**  
**SUMMARY STATEMENT OF ACTIVITIES (\$000's)**  
**For the Years Ended June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2015-16</u>
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 5,041	\$ 5,913	\$ 1,810	\$ 1,816	\$ 6,851	\$ 7,729	-11.4%
Operating grants and contributions	26,735	26,489	175	161	26,910	26,650	1.0%
Capital grants and contributions	446	1,153	-	-	446	1,153	-61.3%
General Revenues							
Property taxes	89,290	87,108	-	-	89,290	87,108	2.5%
Grants not restricted to specific programs	1,777	1,804	-	-	1,777	1,804	-1.5%
Miscellaneous	205	221	-	-	205	221	-7.2%
Unrestricted investment earnings	201	155	96	94	297	249	19.3%
<b>Total revenues</b>	<u>123,695</u>	<u>122,843</u>	<u>2,081</u>	<u>2,071</u>	<u>125,776</u>	<u>124,914</u>	<u>0.7%</u>
<b>Expenses</b>							
General government	14,170	13,782	-	-	14,170	13,782	2.8%
Culture & recreation	4,707	4,362	-	-	4,707	4,362	7.9%
Human services	1,973	1,767	-	-	1,973	1,767	11.7%
Public works	7,282	7,452	-	-	7,282	7,452	-2.3%
Education	85,834	82,801	-	-	85,834	82,801	3.7%
Public safety	11,517	11,300	-	-	11,517	11,300	1.9%
Interest expense	790	1,150	-	-	790	1,150	-31.3%
Landfill	-	-	1,505	1,603	1,505	1,603	-6.1%
Child development	-	-	1,053	1,188	1,053	1,188	-11.4%
Adult caring connection	-	-	487	494	487	494	-1.4%
Resident Transfer Station	-	-	146	118	146	118	23.7%
<b>Total expenses</b>	<u>126,273</u>	<u>122,614</u>	<u>3,191</u>	<u>3,403</u>	<u>129,464</u>	<u>126,017</u>	<u>2.7%</u>
<b>Excess (deficit) of revenues over (under) expenses before transfers</b>	<u>(2,578)</u>	<u>229</u>	<u>(1,110)</u>	<u>(1,332)</u>	<u>(3,688)</u>	<u>(1,103)</u>	<u>234.4%</u>
Transfers	<u>(69)</u>	<u>(27)</u>	<u>69</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
<b>Change in net position (deficit)</b>	<u>(2,647)</u>	<u>202</u>	<u>(1,041)</u>	<u>(1,305)</u>	<u>(3,688)</u>	<u>(1,103)</u>	<u>234.4%</u>
Net Position (deficits)- Beginning	<u>73,874</u>	<u>68,171</u>	<u>(7,683)</u>	<u>(6,378)</u>	<u>66,191</u>	<u>61,793</u>	<u>7.1%</u>
Restatement (see Note 16)	-	<u>5,501</u>	-	-	-	5,501	
<b>Net position (deficits) Ending</b>	<u>\$ 71,227</u>	<u>\$ 73,874</u>	<u>\$ (8,724)</u>	<u>\$ (7,683)</u>	<u>\$ 62,503</u>	<u>\$ 66,191</u>	<u>-5.6%</u>

## Governmental Activities

Approximately 72.2% of revenues and transfers in were derived from property taxes, followed by 23.1% from operating and unrestricted grants, 4.1% from charges for services, 0.3% from capital grants and contributions, and 0.3% from investment earnings and other miscellaneous revenue sources.



Major revenue factors included:

- Property tax revenues collected in FY 16 totaled \$89.3 million, which represents an increase of \$2.2 million or 2.5% over FY 15 tax revenues. The FY 16 Town's mill rate of 30.92 reflected an increase of 0.45 from FY 15. The Town's collection rate on the current adjusted levy, including the interim motor vehicle tax, was 98.77%, as compared to the prior year's rate of 98.81%.
- Capital grants and contributions decreased by \$707 thousand mostly due to timing of grants received for road projects.
- Charges for Services decreased \$872 thousand from the prior year. This decrease is a result of fewer Police Private Duty jobs and receiving one-time revenues in FY 15 for the sale of the Town's public works garage.
- Investment Income increased 19.3% versus FY 15 based on an improving interest rate environment.

For Governmental Activities in FY 16, approximately 68.0% of the Town's expenses relate to education (vs. 67.6% in FY 15), 11.2% (vs. 11.2% in FY 15) to general government, 9.1% (9.2% in FY 15) relate to public safety, 5.8% (vs. 6.1% in FY 15) relate to public works, 3.7% (3.6% in FY 15) to culture and recreation, 1.6% (vs. 1.4% in FY 15) to human services, and 0.6% (vs. 0.9% in FY 15) to interest on long-term debt. It is important to remember that these expenses include non-budgetary items such as depreciation and disposal of capital assets, the change in compensated absence accruals, as well as pension and OPEB (other post-employment benefits) costs.

Major expense factors included:

- Non-affiliated administrative employee's salaries increased up to 2.50% based on merit. Public safety dispatchers' salaries increased 2.25%. Police increased as follows: Police Officer 3.25%; Detective 2.00%; Sergeant 1.50%; Shift Commander 1.50%; and, Animal Control 3.25%. Public works/clerical worker collective bargaining group contract for July 1, 2015 through June 30, 2016 was not settled as of June 30, 2016. Subsequently the contract settled with an increase of 2.25%.



The 2.25% was distributed retroactively and is reflected in the General Fund Assigned Fund Balance at June 30, 2016.

- FY 16 reflected the fourth year of the BOE self-insured health program. The town side had implemented this same program in FY 12.

#### Business-Type Activities

- There was a \$1.0 million increase to the Business Type Activities deficit. This was due primarily to expenditures for closure costs for the landfill. The Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since then converted to a transfer station facility for residents.

#### **Financial Analysis of the Fund Financial Statements**

As noted earlier, the Town of Windsor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town of Windsor's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Windsor's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2016 the Town of Windsor's governmental funds reported combined ending fund balances of \$37.4 million, a decrease of \$1.7 million from \$39.1 million the previous year. This is primarily due to timing of receipts of revenues versus the timing of expenditures in the Capital Projects Fund for the Clover Street School HVAC system and the purchase of a fire department ladder truck. The bond proceeds for these projects were received in FY 15 and the expenditures were paid for in FY 16. The unassigned fund balance constitutes 52.5% of the total fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by GASB 54 fund balance definitions. These fund balance definitions can be found in note 1 in the notes to the financial statements.

The General Fund is the chief operating fund of the Town of Windsor. As of June 30, 2016, unassigned fund balance of the General Fund was \$19.6 million, while total fund balance was \$24.4 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.4% of total General Fund expenditures of \$106.6 million, while total fund balance represents 22.9% of that same amount.

The Capital Projects Fund had a total fund balance of \$7.4 million (\$988 thousand in assigned fund balance), which is a decrease of \$2.6 million from a balance of \$10.0 million in the prior year. The decrease is primarily due to timing of receipts of revenues versus the timing of expenditures in the Capital Projects Fund for the Clover Street School HVAC system and the purchase of the fire department ladder truck. The bond proceeds for these projects was received in the previous fiscal year and the expenditures were paid for in FY 16.

**Proprietary funds.** The Town of Windsor's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position (deficits) of the Landfill Enterprise Fund at the end of the year was approximately \$(9.5) million with unrestricted net position (deficits) of approximately \$(9.6) million compared to \$(8.3) million and \$(8.4) million in the prior year. The Landfill Enterprise Fund had a net loss during the year of \$1.2 million compared with a net loss of \$1.3 million in the prior year. The net loss is related to continuation of the planned closure and capping construction activity.

## General Fund Budgetary Highlights

Actual revenues on a budgetary basis were \$106.4 million, including transfers-in. This amount exceeded budgetary estimates by \$853 thousand. The major revenue variances were:

- General property tax collections in excess of estimates by \$722 thousand.
- Building permits exceeded budget by \$279 thousand and is attributable to project timing for projects such as construction at 69 Mechanic Street, Loomis Chaffee School buildings, as well as a few unanticipated projects.
- Conveyance Fees exceeded budget by \$413 thousand and is attributable to unanticipated large property sales such as KTR, PRA Suites on Corporate Drive and 1080 Day Hill Road.

Actual expenditures, including transfers-out, but not use of fund balance, were \$105.5 million and kept under budget by \$955 thousand. This was primarily due to vacant positions, worker compensation and disability claims, storm control and Board of Education expenditure savings.

The difference between the original budget and the final amended budget was for an additional appropriation of \$177,574 from fund balance. Uses were as follows:

Town Green Fountain	\$ 30,000
Caring Connection Adult Day Care	147,574
	<u>\$ 177,574</u>

These items combined (additional revenues, expenditure savings and use of fund balance) produced an increase of \$730 thousand to the General Fund budgetary fund balance. This takes into consideration that the \$900 thousand opening cash appropriation was not needed to balance the budget as actual revenues exceeded actual expenditures during the year.

## Capital Asset and Debt Administration

### Capital Assets

The Town of Windsor's investment in capital assets for its governmental and business type activities as of June 30, 2016, amounted to \$103.7 million (net of accumulated depreciation) compared to \$102.3 million in the prior fiscal year. This investment in capital assets includes land, building and mechanical improvements, machinery and equipment, park facilities, roads, sewers and bridges.

### **TOWN OF WINDSOR CONNECTICUT CAPITAL ASSETS (net of depreciation) June 30, 2016**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,913	\$ -	\$ 4,913
Construction in progress	6,519	-	6,519
Buildings and improvements	62,777	109	62,886
Infrastructure	19,381	-	19,381
Machinery and equipment	9,975	30	10,005
<b>Total</b>	<u>\$ 103,565</u>	<u>\$ 139</u>	<u>\$ 103,704</u>

Major additions during the year included the following:

- School Heating System Conversions
- School Exterior Lighting Upgrades
- School Network Infrastructure Upgrades
- Town Hall Window Replacements
- Town Facility Energy Improvements
- Town Hall Interior Renovations
- L.P. Wilson Underground Pipe Replacement
- Custer and Lancaster Park Playground Improvements
- NexGen Public Safety Software
- Fire Department Ladder Truck

*Additional information on the Town of Windsor's capital assets can be found in Note 4 of this report.*

**Debt Administration**

At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$38.5 million. 100% of this debt is backed by the full faith and credit of the Town government.

**TOWN OF WINDSOR CONNECTICUT  
OUTSTANDING DEBT  
June 30, 2016**

	Governmental Activities
General obligation bonds	<u>\$ 38,520,000</u>

The Town of Windsor's total bonded debt decreased by \$1.2 million or 3.13% during the current fiscal year compared to a 0.95% increase in the prior year.

The Town of Windsor general obligation bond ratings are AAA from Standard & Poor's. The AAA rating from Standard and Poor's was reaffirmed in June of 2016 when the Town issued \$4.3 million of general obligation bonds and \$450 thousand in bond anticipation notes.

The State of Connecticut limits the amount of general obligation debt that towns and cities can issue based on a formula determined under State Statutes and according to type of debt and the tax base. The Town's overall statutory debt limit is equal to seven times annual receipts from taxation or \$646.4 million, up from \$613.5 million in FY 15. As of June 30, 2016, the Town recorded long-term debt of \$38.5 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2016, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal Payments	Interest Payments	Total Debt Service
2017	\$ 5,850,000	\$ 1,033,996	\$ 6,883,996
2018	5,690,000	841,556	6,531,556
2019	5,350,000	659,313	6,009,313
2020	5,345,000	493,125	5,838,125
2021	4,380,000	356,563	4,736,563
2022	3,275,000	266,393	3,541,393
2023	3,225,000	181,118	3,406,118
2024	2,240,000	115,488	2,355,488
2025	1,230,000	68,838	1,298,838
2026	805,000	43,050	848,050
2027	775,000	24,700	799,700
2028	355,000	7,100	362,100
	<u>\$ 38,520,000</u>	<u>\$ 4,091,237</u>	<u>\$ 42,611,237</u>

Additional information on the Town of Windsor's long-term debt can be found in Note 7 of this report.

### Economic Factors

As of October 2016, the unemployment rate for Windsor was 4.5%. The unemployment rate for the Hartford labor market area was 4.5% and for the State of Connecticut it stood at 4.5%. The overall national average was 4.7% for this same time period.

Unemployment rates have improved since last year, and the overall economy continues to improve as well. The Town's main source of revenue are property taxes, and this income stream has proved to be stable. State revenues make up a smaller portion of the Town's total revenue, but fortunately this revenue has seen only minor fluctuations in the current period. Even with an over-reliance on property taxes and no significant increases in state aid, the Town has been able to adjust expenditures accordingly and continues to provide high levels of service.

The Town has a high quality tax base which includes a diverse mix of commercial and business enterprises, and this lends even more stability to the Town's revenue. The Town has maintained an active economic development program that has attracted and retained firms, and prides itself on a fast development approval process. Windsor has positioned itself as a destination address for office and commercial development, and this increased development will lend itself to an increase in the tax base in coming years. Statistics on growth for the last ten years are available in the statistical section of this report.

### Requests for Information

The Town of Windsor Comprehensive Annual Financial Report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances, and to demonstrate transparency and the Town's accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 275 Broad Street, Windsor, CT 06095.

## **Basic Financial Statements**



Town of Windsor, Connecticut

Statement of Net Position (Deficits)  
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 40,760,025	\$ 21,039,962	\$ 61,799,987
Investments	12,244,057	7,261,759	19,505,816
Receivables:			
Property taxes, net of allowance for collection losses	1,380,972	-	1,380,972
Accounts receivable	803,423	-	803,423
Customer receivables	28,000	77,053	105,053
Community rehabilitation loans, net	2,144,650	-	2,144,650
Inventories	30,701	-	30,701
Restricted cash and cash equivalents - capital outlay	2,172,077	-	2,172,077
Prepays	5,247	-	5,247
Net pension asset	3,332,712	-	3,332,712
Capital assets, not being depreciated	11,431,419	-	11,431,419
Capital assets, being depreciated, net of depreciation	92,133,886	139,298	92,273,184
<b>Total assets</b>	<b>166,467,169</b>	<b>28,518,072</b>	<b>194,985,241</b>
Deferred outflows of resources:			
Deferred charge on refunding	293,118	-	293,118
Deferred pension expense	9,128,033	-	9,128,033
<b>Total deferred outflows of resources</b>	<b>9,421,151</b>	<b>-</b>	<b>9,421,151</b>
<b>Liabilities</b>			
Accounts payable and accruals	6,214,305	84,383	6,298,688
Accrued interest payable	332,475	-	332,475
Bond anticipation notes	450,000	-	450,000
Unearned revenues	1,288,358	12,339	1,300,697
Long-term liabilities:			
Due within one year	6,065,331	1,499,376	7,564,707
Due in more than one year	86,868,178	35,645,328	122,513,506
<b>Total liabilities</b>	<b>101,218,647</b>	<b>37,241,426</b>	<b>138,460,073</b>
Deferred inflows of resources:			
Advance property tax collections	3,355,856	-	3,355,856
Deferred pension credit	87,129	-	87,129
<b>Total deferred inflows of resources</b>	<b>3,442,985</b>	<b>-</b>	<b>3,442,985</b>
Net position (deficits):			
Net investment in capital assets	68,217,968	139,298	68,357,266
Restricted			
Community rehabilitation program	2,144,650	-	2,144,650
Public works	1,125,703	-	1,125,703
Other	477,560	-	477,560
Unrestricted (deficit)	(739,193)	(8,862,652)	(9,601,845)
<b>Total net position (deficits)</b>	<b>\$ 71,226,688</b>	<b>\$ (8,723,354)</b>	<b>\$ 62,503,334</b>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Activities  
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (14,169,618)	\$ 1,488,200	\$ 167,257	\$ -	\$ (12,514,161)	\$ -	\$ (12,514,161)
Culture & recreation	(4,707,146)	1,375,165	38,316	-	(3,293,665)	-	(3,293,665)
Human services	(1,972,768)	122,016	198,672	-	(1,652,080)	-	(1,652,080)
Public works	(7,282,125)	164,682	407,465	446,223	(6,263,755)	-	(6,263,755)
Education	(85,834,050)	1,368,739	25,846,211	-	(58,619,100)	-	(58,619,100)
Public safety	(11,516,901)	522,184	77,300	-	(10,917,417)	-	(10,917,417)
Interest expense	(790,090)	-	-	-	(790,090)	-	(790,090)
<b>Total governmental activities</b>	<b>(126,272,698)</b>	<b>5,040,986</b>	<b>26,735,221</b>	<b>446,223</b>	<b>(94,050,268)</b>	<b>-</b>	<b>(94,050,268)</b>
Business-type activities:							
Landfill	(1,505,063)	16,009	174,673	-	-	(1,314,381)	(1,314,381)
Child development	(1,052,599)	1,089,127	-	-	-	36,528	36,528
Adult caring connection	(487,210)	450,090	-	-	-	(37,120)	(37,120)
Resident transfer station	(145,921)	254,880	-	-	-	108,959	108,959
<b>Total business-type activities</b>	<b>(3,190,793)</b>	<b>1,810,106</b>	<b>174,673</b>	<b>-</b>	<b>-</b>	<b>(1,206,014)</b>	<b>(1,206,014)</b>
<b>Total primary government</b>	<b>\$ (129,463,491)</b>	<b>\$ 6,851,092</b>	<b>\$ 26,909,894</b>	<b>\$ 446,223</b>	<b>(94,050,268)</b>	<b>(1,206,014)</b>	<b>(95,256,282)</b>
General revenues:							
Property taxes					89,289,617	-	89,289,617
Miscellaneous					205,087	-	205,087
Grants and contributions not restricted to specific programs					1,776,947	-	1,776,947
Unrestricted investment earnings					200,456	96,154	296,610
Internal transfers					(69,066)	69,066	-
<b>Total general revenues and internal transfers</b>					<b>91,403,041</b>	<b>165,220</b>	<b>91,568,261</b>
<b>Change in net position</b>					<b>(2,647,227)</b>	<b>(1,040,794)</b>	<b>(3,688,021)</b>
Net position (deficits) - beginning (as restated), Note 1					73,873,915	(7,682,560)	66,191,355
Net position (deficits) - ending					<b>\$ 71,226,688</b>	<b>\$ (8,723,354)</b>	<b>\$ 62,503,334</b>

See notes to financial statements.



Town of Windsor, Connecticut

Balance Sheet - Governmental Funds  
June 30, 2016

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Educational Grant Programs	Capital Projects		
<b>Assets</b>					
Cash and cash equivalents	\$ 21,673,810	\$ 2,522,398	\$ 3,779,348	\$ 2,610,016	\$ 30,585,572
Investments	7,466,292	27,646	2,054,083	845,408	10,393,429
Restricted cash and cash equivalents	-	-	2,172,077	-	2,172,077
Receivables (net of allowances for collection losses):					
Property taxes	1,380,972	-	-	-	1,380,972
Accounts receivable	348,830	6,210	180,920	267,463	803,423
Community rehabilitation loans, net	-	-	-	2,144,650	2,144,650
Due from other funds	1,070,448	-	-	-	1,070,448
Prepays	-	-	-	5,247	5,247
Inventories	21,599	-	-	9,102	30,701
<b>Total assets</b>	<b>\$ 31,961,951</b>	<b>\$ 2,556,254</b>	<b>\$ 8,186,428</b>	<b>\$ 5,881,886</b>	<b>\$ 48,586,519</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 3,016,735	\$ 230,545	\$ 199,783	\$ 81,348	\$ 3,528,411
Bond anticipation notes	-	-	450,000	-	450,000
Unearned revenues	-	1,280,600	-	7,758	1,288,358
Due to other funds	-	1,045,109	-	131,817	1,176,926
<b>Total liabilities</b>	<b>3,016,735</b>	<b>2,556,254</b>	<b>649,783</b>	<b>220,923</b>	<b>6,443,695</b>
Deferred inflow of resources:					
Advance tax collections	\$ 3,355,856	\$ -	\$ -	\$ -	\$ 3,355,856
Unavailable resources	1,196,929	-	180,920	-	1,377,849
<b>Total deferred inflows of resources</b>	<b>4,552,785</b>	<b>-</b>	<b>180,920</b>	<b>-</b>	<b>4,733,705</b>
Fund balances:					
Nonspendable	21,599	-	-	22,102	43,701
Restricted	-	-	2,160,630	3,747,913	5,908,543
Committed	-	-	4,207,570	1,573,118	5,780,688
Assigned	4,727,980	-	987,525	317,830	6,033,335
Unassigned	19,642,852	-	-	-	19,642,852
<b>Total fund balances</b>	<b>24,392,431</b>	<b>-</b>	<b>7,355,725</b>	<b>5,660,963</b>	<b>37,409,119</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,961,951</b>	<b>\$ -</b>	<b>\$ 8,186,428</b>	<b>\$ 5,881,886</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets and accumulated depreciation among the assets of the Town as a whole.	103,565,305
Other long-term assets are not available and therefore not recognized in the funds.	1,377,849
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(92,933,509)
Deferred charge on refunding	293,118
Net pension asset	3,332,712
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	9,473,665
Deferred pension expense	9,128,033
Deferred pension credit	(87,129)
Accrued interest payable	(332,475)

Net position of governmental activities

\$ 71,226,688

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended June 30, 2016

	Major Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Educational Grant Programs	Capital Projects		
<b>Revenues:</b>					
Property taxes	\$ 89,012,808	\$ -	\$ -	\$ -	\$ 89,012,808
State and Federal governments	21,906,514	3,785,326	305,303	2,780,328	28,777,471
Charges for services	3,910,777	-	-	1,130,209	5,040,986
Investment income	160,456	-	28,090	11,910	200,456
Other	-	-	61,130	153,042	214,172
<b>Total revenues</b>	<b>114,990,555</b>	<b>3,785,326</b>	<b>394,523</b>	<b>4,075,489</b>	<b>123,245,893</b>
<b>Expenditures:</b>					
Current:					
Education	72,839,199	3,785,326	-	2,953,094	79,577,619
General government	12,354,861	-	-	227,424	12,582,285
Culture and recreation	4,058,702	-	-	76,120	4,134,822
Human services	1,373,878	-	-	149,729	1,523,607
Public safety	10,228,327	-	-	112,229	10,340,556
Public works	5,732,843	-	-	445,434	6,178,277
Debt service:					
Principal retirements	-	-	-	5,530,000	5,530,000
Interest and other charges	-	-	-	1,142,435	1,142,435
Capital outlay	-	-	8,241,327	-	8,241,327
<b>Total expenditures</b>	<b>106,587,810</b>	<b>3,785,326</b>	<b>8,241,327</b>	<b>10,636,465</b>	<b>129,250,928</b>
<b>Excess (deficiency) revenues over (under) expenditures</b>	<b>8,402,745</b>	<b>-</b>	<b>(7,846,804)</b>	<b>(6,560,976)</b>	<b>(6,005,035)</b>
<b>Other financing sources (uses):</b>					
Transfers in	78,508	-	947,000	6,621,130	7,646,638
Transfers out	(7,715,704)	-	-	-	(7,715,704)
Issuance of bonds	-	-	4,285,000	-	4,285,000
Premium on bonds issued	-	-	-	116,613	116,613
<b>Total other financing sources (uses)</b>	<b>(7,637,196)</b>	<b>-</b>	<b>5,232,000</b>	<b>6,737,743</b>	<b>4,332,547</b>
<b>Change in fund balances</b>	<b>765,549</b>	<b>-</b>	<b>(2,614,804)</b>	<b>176,767</b>	<b>(1,672,488)</b>
Fund balances, beginning	23,626,882	-	9,970,529	5,484,196	39,081,607
<b>Fund balances, ending</b>	<b>\$ 24,392,431</b>	<b>\$ -</b>	<b>\$ 7,355,725</b>	<b>\$ 5,660,963</b>	<b>\$ 37,409,119</b>

See notes to financial statements.

**Town of Windsor, Connecticut**

**Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2016**

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Net change in fund balances – total governmental funds	\$ (1,672,488)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation exceeded in the current period.	1,421,540
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Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	448,644
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(5,841,801)
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Change in net pension asset	(615,147)
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Deferred outflow - change in investment experience (CMERS)	452,139
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Deferred inflow - change in investment experience (CMERS)	728,515
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Deferred outflow- change in contributions made subsequent to measurement date (CMERS)	(74,948)
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Deferred outflow- change in difference between expected and actual experience (Town Plan)	14,782
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Deferred inflow- change in difference between expected and actual experience (Town Plan)	45,858
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Deferred outflow - change of assumptions (Town Plan)	727,590
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Deferred inflow - change in net difference between expected and actual earnings (Town Plan)	3,986,935
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Changes in some liabilities that impact expenses reported in the statement of do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,002,689)
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The net income of certain activities of internal service funds is reported with governmental activities	<u>1,733,843</u>
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<b>Change in net position of governmental activities</b>	<b><u><u>\$ (2,647,227)</u></u></b>
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Town of Windsor, Connecticut

Statement of Net Position (Deficits) - Proprietary Funds  
June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 20,447,335	\$ 592,627	\$ 21,039,962	\$ 10,174,453
Receivables				
Customer receivables, net	8,257	68,796	77,053	28,000
Due from other funds	-	-	-	106,478
Investments	7,057,220	204,539	7,261,759	1,850,628
<b>Total current assets</b>	<b>27,512,812</b>	<b>865,962</b>	<b>28,378,774</b>	<b>12,159,559</b>
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	120,776	18,522	139,298	-
<b>Total noncurrent assets</b>	<b>120,776</b>	<b>18,522</b>	<b>139,298</b>	<b>-</b>
<b>Total assets</b>	<b>27,633,588</b>	<b>884,484</b>	<b>28,518,072</b>	<b>12,159,559</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	48,025	52,534	100,559	106,947
Unearned revenue	-	12,339	12,339	-
Accrued claims payable	-	-	-	1,378,947
Accrued post closure costs	1,483,200	-	1,483,200	-
<b>Total current liabilities</b>	<b>1,531,225</b>	<b>64,873</b>	<b>1,596,098</b>	<b>1,485,894</b>
Noncurrent liabilities:				
Accrued post closure costs	35,596,800	-	35,596,800	-
Compensated absences	11,423	37,105	48,528	-
Accrued claims payable	-	-	-	1,200,000
<b>Total noncurrent liabilities</b>	<b>35,608,223</b>	<b>37,105</b>	<b>35,645,328</b>	<b>1,200,000</b>
<b>Total liabilities</b>	<b>37,139,448</b>	<b>101,978</b>	<b>37,241,426</b>	<b>2,685,894</b>
Net position (deficits):				
Net investment in capital assets	120,776	18,522	139,298	-
Unrestricted net position (deficits)	(9,626,636)	763,984	(8,862,652)	9,473,665
<b>Total net position (deficits)</b>	<b>\$ (9,505,860)</b>	<b>\$ 782,506</b>	<b>\$ (8,723,354)</b>	<b>\$ 9,473,665</b>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds  
Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund Activities
Operating revenues:				
State grant	\$ 174,673	\$ -	\$ 174,673	\$ -
User charges	16,009	1,794,097	1,810,106	17,373,724
<b>Total operating revenues</b>	<b>190,682</b>	<b>1,794,097</b>	<b>1,984,779</b>	<b>17,373,724</b>
Operating expenses:				
Operations and maintenance	1,500,107	1,682,528	3,182,635	-
Claims	-	-	-	15,660,856
Depreciation	4,956	3,202	8,158	-
<b>Total operating expenses</b>	<b>1,505,063</b>	<b>1,685,730</b>	<b>3,190,793</b>	<b>15,660,856</b>
<b>Operating income (loss)</b>	<b>(1,314,381)</b>	<b>108,367</b>	<b>(1,206,014)</b>	<b>1,712,868</b>
Nonoperating revenues:				
Interest income	94,795	1,359	96,154	20,975
<b>Income (loss) before transfers</b>	<b>(1,219,586)</b>	<b>109,726</b>	<b>(1,109,860)</b>	<b>1,733,843</b>
Transfers in	-	147,574	147,574	-
Transfers out	-	(78,508)	(78,508)	-
<b>Change in net position (deficit)</b>	<b>(1,219,586)</b>	<b>178,792</b>	<b>(1,040,794)</b>	<b>1,733,843</b>
Net position (deficits), beginning	(8,286,274)	603,714	(7,682,560)	7,739,822
<b>Net position (deficits), ending</b>	<b>\$ (9,505,860)</b>	<b>\$ 782,506</b>	<b>\$ (8,723,354)</b>	<b>\$ 9,473,665</b>

See notes to financial statements

Town of Windsor, Connecticut

Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor	Total	Activities
		Enterprise		Internal
		Funds		Service
				Fund
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 193,296	\$ 1,809,041	\$ 2,002,337	\$ 17,380,045
Payments to suppliers	(1,334,852)	(459,650)	(1,794,502)	(15,353,907)
Payments to employees	(509,025)	(1,245,541)	(1,754,566)	-
<b>Net cash (used in) provided by operating activities</b>	<b>(1,650,581)</b>	<b>103,850</b>	<b>(1,546,731)</b>	<b>2,026,138</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	147,574	147,574	(106,478)
Transfers out	-	(78,508)	(78,508)	-
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>69,066</b>	<b>69,066</b>	<b>(106,478)</b>
<b>Cash flows from investing activities:</b>				
Interest received	94,795	1,359	96,154	20,975
Sale of investments	203,556	-	203,556	-
(Purchase) of investments	-	(48,909)	(48,909)	(201,126)
<b>Net cash provided by (used in) investing activities</b>	<b>298,351</b>	<b>(47,550)</b>	<b>250,801</b>	<b>(180,151)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,352,230)</b>	<b>125,366</b>	<b>(1,226,864)</b>	<b>1,739,509</b>
<b>Cash and cash equivalents:</b>				
Beginning	21,799,565	467,261	22,266,826	8,434,944
<b>Ending</b>	<b>\$ 20,447,335</b>	<b>\$ 592,627</b>	<b>\$ 21,039,962</b>	<b>\$ 10,174,453</b>
<b>Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:</b>				
Operating income (loss)	\$ (1,314,381)	\$ 108,367	\$ (1,206,014)	\$ 1,712,868
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation	4,956	3,202	8,158	-
Changes in assets and liabilities:				
Decrease in accounts receivable	2,612	23,979	26,591	6,321
Increase (decrease) in accounts payable	(238,583)	(22,663)	(261,246)	26,942
Increase in unearned revenue	-	(9,035)	(9,035)	-
Increase (decrease) in accrued liabilities	(105,185)	-	(105,185)	280,007
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (1,650,581)</b>	<b>\$ 103,850</b>	<b>\$ (1,546,731)</b>	<b>\$ 2,026,138</b>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2016

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 867,977	\$ 21,639	\$ 990,812
Investments:			
Common stock	7,848,476	-	-
Equity mutual funds	31,054,195	473,140	-
Fixed income mutual funds	17,415,245	271,576	-
Other Investments - real estate	3,456,743	-	-
<b>Total investments</b>	<b>59,774,659</b>	<b>744,716</b>	<b>-</b>
Contributions receivable	602,693	-	-
Other receivables	3,313	540	-
<b>Total assets</b>	<b>61,248,642</b>	<b>766,895</b>	<b>990,812</b>
<b>Liabilities</b>			
Accounts payable	-	536	990,812
<b>Net position restricted for pensions</b>	<b>\$ 61,248,642</b>	<b>\$ 766,359</b>	<b>\$ -</b>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds  
Year Ended June 30, 2016

	Pension Trust Fund	OPEB Trust Fund
Additions:		
Contributions:		
Employer	\$ 1,026,539	\$ 350,000
Plan members	508,741	-
<b>Total contributions</b>	<u>1,535,280</u>	<u>350,000</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	(2,586,208)	(7,375)
Interest and dividends	1,391,645	17,428
	<u>(1,194,563)</u>	<u>10,053</u>
Less investment expenses:		
Investment management fees	95,879	904
<b>Net investment income</b>	<u>(1,290,442)</u>	<u>9,149</u>
<b>Total additions</b>	<u>244,838</u>	<u>359,149</u>
Deductions:		
Benefits	3,481,301	-
<b>Change in plan net position</b>	<u>(3,236,463)</u>	<u>359,149</u>
Net position restricted for pensions:		
Beginning of year	64,485,105	407,210
<b>End of year</b>	<u>\$ 61,248,642</u>	<u>\$ 766,359</u>

See notes to financial statements.



## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

**Reporting entity:** The Town of Windsor, Connecticut (the Town) was founded by English settlers in 1633, making it the first town in the State of Connecticut. The Town operates under a Council-Manager form of government and provides the following services as authorized by its Charter: public safety, public works, sanitation, health and social services, culture-recreation, education, planning and zoning, and general administrative services. The Charter was most recently revised (via referendum) in 1998. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **Accounting standards adopted in the current year:**

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement added additional disclosures to Note 3.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. The implementation of this statement had no impact on the Town's financial statements.

**Measurement focus, basis of accounting, and financial statement presentation:** The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

**Governmental funds:** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The following are the Town's major governmental funds:

The **General Fund** is the Town's primary operating fund. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The **Capital Project Fund** is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay other than reported in proprietary funds.

The **Educational Grant Programs Fund** is used to account for specially financed education programs under grants received from the Federal or State government.

The other governmental funds of the Town are considered nonmajor and are as follows:

The **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Debt Service Fund** is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

**Proprietary funds:** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following major proprietary fund:

The **Landfill Fund** accounts for the operations of the Windsor-Bloomfield Sanitary Landfill.

The other proprietary funds of the Town are considered nonmajor and are as follows:

The **Milo Peck Child Development Center Fund** and the **Caring Connection Adult Day Care Center Fund** and the **Resident Transfer Station Fund**.

Additionally, the Town reports the following proprietary fund:

The **Internal Service Fund** accounts for all general health, auto, fire, heart and hypertension, and workers' compensation insurance activity, including premiums and claims.

#### **Fiduciary funds:**

The **Pension Trust Fund**, a fiduciary fund, accounts for the activities of the Town's defined benefit pension plan which accumulates resources for pension benefit payments to qualified employees upon retirement.

The **OPEB Trust Fund**, a fiduciary fund, accounts for the activities of the Town's other post employment benefit plan which accumulates resources for medical benefit payments to qualified employees upon retirement.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

The **Agency Funds**, fiduciary funds, account for monies held as a custodian for outside student groups and agencies and are used for performance bonds, adult education and scholarships.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, which include premium charges and claims. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Accounting estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**Property taxes:** Property taxes are assessed as of October 1, and are levied for on the following July 1, and due in one installment, July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

Delinquent real estate taxes are billed at least twice a year, with interest charged at a rate of 1.5 percent per month. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables. However, they remain valid claims for up to 15 years after being levied.

**Cash and cash equivalents:** The Town classifies money market funds, Short-Term Investment Fund (STIF) investments, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

**Restricted cash and cash equivalents:** Certain assets are classified as restricted because their use is limited. Restricted cash and cash equivalents in the Capital Projects Fund are to be used for construction purposes.

**Allowance for doubtful accounts:** Accounts, notes receivable and community development loans are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Valuation of investments:** Investments are reported at fair value. Fair values of securities held directly are based on quotations from national securities exchanges, except for pooled funds for which fair values are estimated as detailed below.

**Pooled Funds:** The fair value of shares in managed investment pools is based on unit values reported by the funds.

**Fair value:** The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

**Level 1:** Quoted prices in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

**Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Inventories and prepaids:** Inventories are stated at cost, determined on the first-in, first-out basis. Inventories of governmental funds are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental balance sheet. Advance tax collections represent taxes inherently associated with a future period. The amount is recognized in the period in which the revenue is associated.

**Capital assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost greater than \$5,000 depending on asset classification and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs are capitalized on business-type activity capital assets.

Property, plant, and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets Categories</u>	<u>Years</u>
Buildings	35-50
Building improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

In the governmental fund financial statements, capital outlay (assets) is reported as expenditure and no depreciation expense is reported.

**Loans receivable:** The Town records its loans receivable for the Community Rehabilitation Program in the Special Revenue Funds as the loan proceeds are advanced, net of an allowance for collectible accounts.

**Net pension liability:** The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**Compensated absences:** Under the terms of its various union contracts, Town and Board of Education employees are granted vacation in varying amounts based on length of service. Sick leave does not vest. Town employees may carry over a limited number of unused vacation days (up to 30 days) to subsequent years and, in the event of termination, employees are reimbursed for accumulated vacation. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year.

Vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

The General Fund is typically used to liquidate the liability for compensated absences.

**Long-term obligations:** In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond principal premiums and discount are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Landfill closure and post-closure:** The Town accounts for the cost and estimated costs for closure and post-closure care costs in its Landfill Fund. The Landfill Fund is an enterprise fund. The fund accounts for the estimated total current costs of landfill closure and post-closure and are recognized as an expense and liability in each period in which the landfill accepts solid waste. Estimated total current costs are based on use. The Landfill discontinued accepting municipal solid waste (MSW) as of June 30, 2014 and has converted to a transfer station facility for residents.

#### Pension accounting:

**Pension Trust Fund:** The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

#### Net other post-employment benefit obligations:

**Governmental funds and governmental activities:** In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation (asset), the cumulative differences between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, are calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (asset) is recorded in the government-wide financial statements.

**Encumbrances:** Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

All other General Fund appropriations lapse at year-end.

**Net position:** In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

**Net investment in capital assets:** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.



## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Restricted net position:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

**Unrestricted net position (deficit):** This category represents the net position of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

**Fund balance:** In the government fund financial statements, the Town classified fund balances as follows:

**Nonspendable fund balance:** Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted fund balance:** These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

**Committed fund balance:** This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windsor Town Council) in the form of a Resolution. Once adopted, the limitation, imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

**Assigned fund balance:** Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Town Manager or the Finance Director has the authority to assign amounts for a specific purpose as delegated by the Town Council.

**Unassigned fund balance (deficit):** The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

Town of Windsor, Connecticut

Notes to Financial Statements

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**Note 2. Reconciliation of Government-wide and Fund Financial Statements**

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:** The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this difference are as follows:

Bonds payable	\$ 38,520,000
Premiums, net of amortization	528,733
Compensated absences	861,324
Net pension liability	15,375,257
OPEB	<u>37,648,195</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net positions – governmental activities	<u>\$ 92,933,509</u>

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:** The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$ 7,660,829
Depreciation expense	<u>(6,239,289)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,421,540</u>

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 4,285,000
Loss on refundings	99,158
Principal repayments:	
General obligation debt	(5,530,000)
Amortization of premiums:	
Bond premium	(269,695)
Net pension liability	<u>7,257,338</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 5,841,801</u>

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this difference are as follows:

Change in:	
Compensated absences	\$ 36,872
OPEB obligation	4,031,012
Accrued interest	<u>(65,195)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,002,689</u>

#### Note 3. Cash, Cash Equivalents and Investments

**Deposits:** Town deposits can include demand accounts, savings accounts and certificates of deposits. The Town's policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Investments:** Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by laws applicable to fiduciaries and the provisions of the applicable plan.

The Town has an investment policy for its pension and other post-employment benefit funds providing a target asset allocation of 51% equities (or equivalents), 29% fixed income, 15% asset allocation funds and 5% real estate.

With respect to mutual /co-mingled funds, the Pension Board will consider the following to insure proper diversification and function of each of the funds:

- a. The mutual fund/co-mingled pool organizations selected should demonstrate:  
(a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- b. The mutual fund/co-mingled pool used will generally have at least a full three- year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- c. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
- d. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

**Interest rate risk:** The Town's policy, which includes the Pension Trust Fund and the Other Post-Employment Benefit Trust Fund, is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 3. Cash, Cash Equivalents and Investments (Continued)

**Concentrations:** The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

***Custodial credit risk:***

**Deposits:** This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2016, approximately \$73,575,000 of the Town's bank balance of approximately \$83,781,000 was uninsured and uncollateralized.

**Investments:** This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension trust funds do not have custodial credit risk policies for investments.

Cash, restricted cash and investments of the Town consist of the following at June 30, 2016:

Cash, restricted cash and equivalents:

Deposits with financial institutions	\$ 81,910,089
State short-term investment fund	3,448,219
Total cash, restricted cash and equivalents	<u>85,358,308</u>
Less certificates of deposits classified as investments	<u>(19,505,816)</u>
	<u>65,852,492</u>

Pension and OPEB trust funds:

Common stocks	7,848,476 *
Equity mutual funds	31,527,335
Fixed income mutual funds	17,686,821
Other investments - real estate	3,456,743
Total pension and OPEB investments	<u>60,519,375</u>
Total cash, cash equivalents and investments	<u>\$ 145,877,683</u>

\* These investments are uninsured and unregistered, with securities held by the counterparty, in the Town's or Pension or OPEB Trust's name.

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 3. Cash, Cash Equivalents and Investments (Continued)**

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 61,799,987
Restricted cash	2,172,077
Investments	19,505,816
	<u>83,477,880</u>
Fiduciary funds:	
Cash and cash equivalents	1,880,428
Investments	60,519,375
	<u>62,399,803</u>
Total cash, cash equivalents and investments	<u><u>\$ 145,877,683</u></u>

**Interest rate risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Pooled fixed income	\$ 3,448,219	\$ 3,448,219	\$ -	\$ -	\$ -
Fixed income mutual funds	17,686,821	-	4,561,968	4,022,176	9,102,677
Total	<u>\$ 21,135,040</u>	<u>\$ 3,448,219</u>	<u>\$ 4,561,968</u>	<u>\$ 4,022,176</u>	<u>\$ 9,102,677</u>

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 3. Cash, Cash Equivalents and Investments (Continued)**

**Credit risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town does not have a formal policy for credit risk. Presented below is the minimum rating as required for each debt type investment.

<u>Average rating</u>	<u>Pooled Fixed Income</u>
AAA	\$ 8,925,357
AAAm	3,448,219
AA	1,494,554
A	2,744,756
BBB	2,135,572
BB	1,127,758
B	532,151
Below B	542,869
Unrated	183,804
Total	<u><u>\$ 21,135,040</u></u>

**Fair value:** The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2016:

	<u>Fair Value Measurements Using</u>			
	<u>Quoted Prices in Active Markets for Identical Assets June 30, 2016</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Observable Inputs (Level 3)</u>	
Investments by fair value level:				
Stocks	\$ 7,848,476	\$ 7,848,476	\$ -	\$ -
Mutual funds	49,214,156	49,214,156	-	-
Total investments by fair value level	<u>57,062,632</u>	<u>\$ 57,062,632</u>	\$ -	\$ -
Investments measured at the net asset level (NAV):				
Real estate fund	<u>3,456,743</u>			
Total investments measured at the NAV	<u>3,456,743</u>			
Total investments measured at fair value	<u><u>\$ 60,519,375</u></u>			

**Real estate fund:** This type includes real estate investments in U.S. residential, hotel, industrial office, retail, land and development properties. In addition, this fund invests in mezzanine loans. The fair value of this investment has been determined using NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. The values are based upon independent appraisals, estimated sales proceeds or the Manager's opinion of value. The fair values do not reflect transaction sale costs or prepayment costs, which may be incurred upon disposition of the investment or instrument.

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 4. Capital Assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases / Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,945,195	\$ -	\$ 32,368	\$ 4,912,827
Construction in progress	3,522,856	7,350,654	4,354,918	6,518,592
Total capital assets not being depreciated	8,468,051	7,350,654	4,387,286	11,431,419
Capital assets being depreciated:				
Buildings and improvements	131,608,298	1,317,866	61,960	132,988,124
Machinery and equipment	27,863,420	2,445,875	156,789	30,152,506
Infrastructure	96,805,251	933,720	-	97,738,971
Total capital assets being depreciated	256,276,969	4,697,461	218,749	261,193,179
Less accumulated depreciation for:				
Buildings and improvements	66,851,545	3,297,057	61,960	70,210,562
Machinery and equipment	18,976,857	1,357,319	156,789	20,177,387
Infrastructure	76,772,853	1,584,913	-	78,357,766
Total accumulated depreciation	162,601,255	6,239,289	218,749	169,059,293
Total capital assets being depreciated, net	93,675,714	(1,541,828)	-	92,133,886
Governmental activities capital assets, net	\$ 102,143,765	\$ 5,808,826	\$ 4,387,286	\$ 103,565,305

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 410,406	\$ -	\$ -	\$ 410,406
Machinery and equipment	3,169,588	-	-	3,169,588
Total capital assets being depreciated	3,579,994	-	-	3,579,994
Less accumulated depreciation for:				
Buildings and improvements	295,433	4,956	-	300,389
Machinery and equipment	3,137,105	3,202	-	3,140,307
Total accumulated depreciation	3,432,538	8,158	-	3,440,696
Total business-type capital assets, net	\$ 147,456	\$ (8,158)	\$ -	\$ 139,298



**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 4. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
Education	\$ 3,690,421
General government	431,260
Culture and recreation	441,552
Human services	130,182
Public works	584,122
Public safety	961,752
Total depreciation expense – governmental activities	<u>\$ 6,239,289</u>
Business-type activities:	
Landfill	\$ 4,956
Child development	1,000
Adult caring connection	2,202
Total depreciation expense – business-type activities	<u>\$ 8,158</u>

**Note 5. Interfund Receivables, Payables and Transfers**

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2016 is presented below:

	Due From Other Funds	Due To Other Funds
General fund	\$ 1,070,448	\$ -
Educational Grant Programs	-	1,045,109
Internal service fund	106,478	-
Nonmajor governmental funds	-	131,817
	<u>\$ 1,176,926</u>	<u>\$ 1,176,926</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2016, were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General fund	\$ 78,508	\$ 7,715,704
Capital projects	947,000	-
Nonmajor governmental funds	6,621,130	-
Other nonmajor enterprise funds	147,574	78,508
	<u>\$ 7,794,212</u>	<u>\$ 7,794,212</u>

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 5. Interfund Receivables, Payables and Transfers (Continued)**

Transfers from the General Fund to the Debt Service Fund represent the Town's payment toward debt service on bonds outstanding. The remaining transfers primarily consisted of financing by the General Fund of programs accounted for in other funds in accordance with budgetary authorizations.

**Note 6. Unearned Revenue/Deferred Inflows of Resources**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and unavailable revenues reported in the governmental funds such as prepaid program fees:

	Unavailable Resources	Unearned Revenues
General fund:		
Property taxes	\$ 1,189,496	\$ -
Advance tax collections	3,355,856	-
Other receivables	7,433	-
	<u>4,552,785</u>	<u>-</u>
Educational Grant Programs fund:		
Other receivables	-	1,280,600
Capital Improvement fund:		
Other receivables	180,920	-
Other nonmajor governmental funds:		
Prepaid program fees	-	7,758
	<u>-</u>	<u>7,758</u>
Total	<u>\$ 4,733,705</u>	<u>\$ 1,288,358</u>

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 7. Long-Term Liabilities**

A summary of changes in outstanding long-term obligations during the year ended June 30, 2016 is as follows:

	Beginning Balance, as Restated*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,765,000	\$ 4,285,000	\$ 5,530,000	\$ 38,520,000	\$ 5,850,000
Unamortized premiums	798,428	116,613	386,308	528,733	-
	<u>40,563,428</u>	<u>4,401,613</u>	<u>5,916,308</u>	<u>39,048,733</u>	<u>5,850,000</u>
Other long-term liabilities:					
Compensated absences	824,452	811,115	774,243	861,324	215,331
Net pension liability	8,117,919	7,257,338	-	15,375,257	-
Other post-employment benefits	33,617,183	4,031,012	-	37,648,195	-
	<u>42,559,554</u>	<u>12,099,465</u>	<u>774,243</u>	<u>53,884,776</u>	<u>215,331</u>
Governmental activity long-term liabilities	<u>\$ 83,122,982</u>	<u>\$ 16,501,078</u>	<u>\$ 6,690,551</u>	<u>\$ 92,933,509</u>	<u>\$ 6,065,331</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 75,879	\$ 60,888	\$ 72,063	\$ 64,704	\$ 16,176
Landfill post closure costs	37,170,000	-	90,000	37,080,000	1,483,200
Total other long-term liabilities	<u>37,245,879</u>	<u>60,888</u>	<u>162,063</u>	<u>37,144,704</u>	<u>1,499,376</u>
Business-type activity long-term liabilities	<u>\$ 37,245,879</u>	<u>\$ 60,888</u>	<u>\$ 162,063</u>	<u>\$ 37,144,704</u>	<u>\$ 1,499,376</u>

All long-term liabilities for governmental activities are liquidated by the General Fund.

\* Restated for the Connecticut Municipal Employees' Retirement Fund B

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 7. Long-Term Liabilities (Continued)**

**General obligation bonds:** As of June 30, 2016, the outstanding general obligation bonds of the Town were as follows:

Town of Windsor Debt Outstanding 06/30/2015 Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2016
General Purpose:					
Public Improvements Refunding	\$190,000 - \$1,330,000	2009	2.00-4.00	\$ 8,806,000	\$ 3,158,000
Public Improvements	\$225,000 - \$425,000	2010	3.00-4.00	3,980,000	255,000
Public Improvements Refunding	\$130,000 - \$1,580,000	2010	3.00-5.00	6,096,000	3,172,000
Public Improvements	\$232,000 - \$350,000	2011	2.50-3.50	3,450,000	774,000
Public Improvements	\$365,000 - \$375,000	2012	2.0	4,490,000	2,990,000
Public Improvements	\$410,000 - \$425,000	2013	1.25-2.0	4,085,000	3,072,000
Public Improvements	\$500,000- \$520,000	2014	2.0-3.0	3,690,000	2,950,000
Public Improvements Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	3,355,000	3,320,000
Public Improvements	\$235,000-\$270,000	2015	2.0-2.5	3,165,000	2,900,000
Public Improvements	\$310,000-\$315,000	2016	2.0	3,755,000	3,755,000
Total general purpose				<u>44,872,000</u>	<u>26,346,000</u>
Schools:					
School Refunding	\$190,000 - \$1,330,000	2009	2.00-4.00	9,819,000	3,377,000
School General Obligation	\$225,000 - \$425,000	2010	3.00-4.00	700,000	45,000
School Refunding	\$130,000 - \$1,580,000	2010	3.00-5.00	6,209,000	3,238,000
School General Obligation	\$232,000 - \$350,000	2011	2.50-3.50	1,040,000	276,000
School General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	950,000	713,000
School General Obligation	\$500,000-\$520,000	2014	2.0-3.0	1,330,000	1,070,000
School General Obligation Refunding	\$45,000-\$1,415,000	2014	2.0-4.0	915,000	905,000
School General Obligation	\$180,000-\$190,000	2015	2.0-2.5	2,205,000	2,020,000
School General Obligation	\$40,000-\$50,000	2016	2.0	530,000	530,000
Total schools				<u>23,698,000</u>	<u>12,174,000</u>
Grand total				<u>\$ 68,570,000</u>	<u>\$ 38,520,000</u>

The following is a summary as of June 30, 2016, of the future principal and interest requirements for the Town's general obligation bonds:

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,850,000	\$ 1,033,996	\$ 6,883,996
2018	5,690,000	841,556	6,531,556
2019	5,350,000	659,313	6,009,313
2020	5,345,000	493,125	5,838,125
2021	4,380,000	356,563	4,736,563
2022-2026	10,775,000	674,884	11,449,884
2027 - 2028	1,130,000	31,800	1,161,800
Total	<u>\$ 38,520,000</u>	<u>\$ 4,091,237</u>	<u>\$ 42,611,237</u>

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 7. Long-Term Liabilities (Continued)**

**Debt limitation:** The Town's indebtedness (including authorized but unissued bonds, net of principal reimbursements expected from the State) does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 207,777,407	\$ 26,796,000	\$ 180,981,407
Unfunded pension benefit obligation	277,036,542	-	277,036,542
Schools	415,554,813	12,564,000	402,990,813
Sewers	346,295,678	-	346,295,678
Urban renewal	300,122,921	-	300,122,921

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$646,418,598

**Bonds authorized but unissued:** Total authorized but unissued debt at June 30, 2016 consists of the following:

Schools	\$ 220,000
Town	170,000
	<u>\$ 390,000</u>

**Bond anticipation notes:** In June 2016, the Town issued \$450,000 in bond anticipation notes, which will be repaid in June 2017.

Bond anticipation note transactions for the year ended June 30, 2016 were as follows:

Outstanding, July 1, 2015	\$ 420,000
New borrowings	450,000
Repayments	(420,000)
Outstanding, June 30, 2016	<u>\$ 450,000</u>

**Note 8. Employee Retirement Plans**

**Employee pension plans:** The Town maintains the Town of Windsor Retirement Plan, a public employee retirement system (PERS), which covers all Town employees (except police officers) and all employees of the Board of Education not eligible for membership in the State of Connecticut Teacher's Retirement Plan, hired before July 1, 2011 (before November 1, 2011 for the Teamster Local 671 bargaining unit and before November 1, 2012 for the United Public Service Employee Union Local 424).

**Plan administration:** The general administration and management of the Town pension plan and the responsibility for carrying out the provision of the plan shall be placed in the Town Retirement Plan Committee. The Town Retirement Plan Committee shall consist of the Town Manager, Finance Director, Superintendent of Schools and an employee of the Board of Education designated by the Superintendent of Schools.

The Town participates in the statewide Municipal Employees' Retirement Fund B, a multiple-employer, cost-sharing public employee retirement system that covers all of the police officers of the Town.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 8. Employee Retirement Plans (Continued)

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan (non-contributory for the employer) administered by the Connecticut State Teachers' Retirement Board.

The membership in the PERS at July 1, 2014, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	183
Vested terminated employees	37
Active members	313
Total	<u>533</u>

**Funding policy:** The contribution requirements of plan members are established and may be amended by the Town Council and Board of Education, subject to union contract negotiation. Non-affiliated administrative employees and public safety dispatchers are required to contribute 4.25% of their earnings. Public works/clerical employees collective bargaining group contribute 4%. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. As determined by the Town's actuaries, the current rate is 6.85% of annual covered payroll. The direct management costs of the plan (fund manager, trustee) are paid for by the Pension Fund. The Town pays the cost of monitoring the plan (advisor) and administering its plan (actuary) through an additional annual budget appropriation. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan.

#### Investments:

**Investment policy:** The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Plan Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2016.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	Russell 3000 Index	30.00%	2.69%
International Equities	MSCI ACWI ex US	21.00%	5.40%
Fixed Income	Barclays Aggregate Bond Index	29.00%	6.04%
Asset Allocation Funds	GMO Constructed Index	15.00%	4.04%
Real Estate	NCREIF Index	5.00%	4.04%

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2016 are summarized in the table above.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 8. Employee Retirement Plans (Continued)

**Rate of return:** For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount rate:** The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Town will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Net pension liability of the town:** The components of the net pension liability of the Town at June 30, 2016 were as follows:

<u>Net Pension Liability</u>	<u>June 30, 2016</u>
Total pension liability	\$ 76,623,899
Fiduciary net position	61,248,642
Net pension liability	15,375,257
Fiduciary net position as a percentage of total pension liability	79.93%
Covered payroll	14,982,909
Net pension liability as a percentage of covered payroll	102.62%

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2015, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2016. There have been no significant changes between the valuation date and the fiscal year end.

#### Discount rate:

Discount rate	7.375%
Long-term expected rate of return, net of investment expense	7.375%
Municipal bond rate	N/A

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 8. Employee Retirement Plans (Continued)**

**Net pension liability of the town:** The components of the net pension liability of the Town at June 30, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/15:	\$ 72,603,024	\$ 64,485,105	\$ 8,117,919
Changes for the year:			
Service cost	1,089,719	-	1,089,719
Interest on total pension liability	5,384,558	-	5,384,558
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	20,467	-	20,467
Effect of assumptions changes or inputs	1,007,432	-	1,007,432
Benefit payments	(3,481,301)	(3,481,301)	-
Employer contributions	-	1,026,539	(1,026,539)
Member contributions	-	508,741	(508,741)
Net investment income	-	(1,271,297)	1,271,297
Administrative expense	-	(19,145)	19,145
Net changes	4,020,875	(3,236,463)	7,257,338
Balances at 6/30/16	<u>\$ 76,623,899</u>	<u>\$ 61,248,642</u>	<u>\$ 15,375,257</u>

**Other key actuarial assumptions:**

Valuation date	July 1, 2015
Measurement date	June 30, 2016
Inflation	2.75%
Salary increases including inflation	3.50%
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

**Sensitivity analysis:** The following table presents the net pension liability of the Town, calculated using the discount rate of 7.375%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.375%) or 1 percentage point higher (8.375%) than the current rate.

	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Net pension liability	<u>\$ 24,424,372</u>	<u>\$ 15,375,257</u>	<u>\$ 7,797,467</u>



**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 8. Employee Retirement Plans (Continued)**

For the year ended June 30, 2016, the Town recognized pension expense of \$3,508,812. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,782	\$ 87,129
Change of assumptions	727,590	-
Net Difference between expected and actual earnings	7,093,665	-
Contributions made subsequent to measurement date	-	-
Total	<u>\$ 7,836,037</u>	<u>\$ 87,129</u>

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 2,207,255
2018	2,211,842
2019	2,138,906
2020	1,190,905
2021	-
Thereafter	-

**Town of Windsor retirement plan – defined contribution pension plan:** As part of the FY 2012 budget process, management took steps to reduce the town’s cost of providing retirement benefits for future employees. To help mitigate future increases in retirement costs, the Town Council voted to amend the Personnel Rules requiring all non-affiliated full-time employees hired after July 1, 2011 to participate in a 401(a) defined contribution plan. This Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion. All members of the Teamsters Local 671 collective bargaining unit hired after November 1, 2011 are required to participate in a 401(a) defined contribution plan. All members of the United Public Service Employees Union Local 424 (Public Safety Dispatchers collective bargaining unit hired on or after November 1, 2012 are required to participate in a 401(a) defined contribution plan. As of July 1, 2013, all new hires of the Board of Education (excluding teachers), regardless of affiliation, participate in a 401(a) defined contribution plan.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### **Note 8. Employee Retirement Plans (Continued)**

The Defined Contribution Plan requires the Town to contribute 5% of each participant's salary. Employees are also required to contribute 5% of their salary and may make additional contributions subject to IRS regulations.

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$589,330 at June 30, 2016 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

**Connecticut Municipal Employees' Retirement Fund B:** All uniformed police officers of the Town of Windsor participate in the Connecticut Municipal Employees Retirement System (CMERS), a defined benefit cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. CMERS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

**Funding policy:** Town of Windsor plan members are required by State statute to contribute 5% of earnings (based on earnings not being covered by Social Security). Each participating municipality is required to contribute at an actuarially determined rate. The rate for fiscal year 2016 is 14.58% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to CMERS for the years ended June 30, 2016, 2015 and 2014 were \$839,857, \$914,805 and \$1,090,885, respectively, equal to the required contributions for each year.

**Benefit provisions:** Plan provisions are set by Statute of the State of Connecticut. CMERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

**Average final compensation:** Average of the three highest paid years of service.

**Normal form of benefit:** Life annuity.

**Year's breakpoint:** With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. For 2014, the breakpoint is \$69,200.

**Service retirement allowance:**

**Condition for allowance:** Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

**Note 8. Employee Retirement Plans (Continued)**

**Amount of allowance:** For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers compensation and social security benefits. If any member covered by social security retires before age 62, his/her benefit until he/she reaches age 62 or receives a social security disability award is computed as if he/she were not under social security.

**Disability retirement allowance:**

**Condition for allowance:** 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the municipality.

**Amount of allowance:** Calculated as a service retirement allowance based on compensation and service to the date of the disability.

**Service connected disability:**

**Condition for allowance:** Totally and permanently disabled from engaging in any gainful employment in the service of the municipality provided such disability has arisen out of and in the course of his/her employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

**Amount of allowance:** Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of the disability.

**Vesting retirement allowance:**

**Condition for allowance:** 5 years of continuous or 15 years of active aggregate service.

**Amount of allowance:** Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**Death benefit:**

**Condition for benefit:** Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

**Amount of benefit:** Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

**Return to deductions:** Upon the withdrawal of a member, the amount of his accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 8. Employee Retirement Plans (Continued)

**Optional benefits:** Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the options forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of this retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death, an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

**Cost-of-living-adjustment:** For those retired prior to January 1, 2002: (i) the benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

**Assumptions:** The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	7/1/2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security wage base	3.50%
* includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

Town of Windsor, Connecticut

Notes to Financial Statements

**Note 8. Employee Retirement Plans (Continued)**

**The long-term expected rate of return:** the long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Mutual Equity	25%	7.3%
Developed Markets ISF	20%	7.5%
Emerging Markets ISF	9%	8.6%
Core Fixed Income	13%	1.7%
Emerging Market Debt	4%	4.8%
High Yield	2%	3.7%
Inflation Linked Bonds	6%	1.3%
Liquidity Fund	6%	0.7%
Real Estate	5%	5.9%
Private Investment	10%	10.9%
	100%	

**Discount rate:** the discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 452,139	\$ -
Change of assumptions	-	-
Net Difference between expected and actual earnings	-	-
Contributions made subsequent to measurement date	839,857	-
Total	\$ 1,291,996	\$ -

Town of Windsor, Connecticut

Notes to Financial Statements

**Note 8. Employee Retirement Plans (Continued)**

**Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension asset of the System, calculated using the discount rate of 8.00 percent, as well as what the System's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate (\$ thousands):

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Town's share of net pension asset associated with the Plan	\$ 496,420	\$ 3,332,712	\$ 7,193,176

The net position of the Town for June 30, 2015 was restated to reflect the net pension liability at June 30, 2015 due to the restatement of the CMERS plan (see Note 16).

**Pension asset, pension expense, and deferred outflows of resources and deferred inflows of resources:** At June 30, 2016, the Town reported an asset of \$3,332,712 for its proportionate share of the net pension liability related to its participation in CMERS. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on its share of contributions to the CMERS for fiscal year 2015 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2015, the Town's proportion was 1.7%.

For the year ended June 30, 2016, the Town recognized pension expense of \$676,696. At June 30, 2016, the Town reported deferred outflows of resources related to pensions from the following sources:

\$839,857 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 908,963
2018	69,106
2019	69,106
2020	244,821
2021	-
Thereafter	-

**Connecticut state teachers' retirement system:** All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

**Description of system:** Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### **Note 8. Employee Retirement Plans (Continued)**

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at [www.ct.gov](http://www.ct.gov).

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

**Summary of significant accounting policies:** For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$7,240,000 as payments made by the State of Connecticut on-behalf of the Town. The Town does not have any liability for teacher pensions.

**Benefits provided:** The benefits provided to participants by the System are as follows:

**Normal benefit:** A member at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary).

**Prorated benefit:** A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

**Minimum benefit:** Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

**Contribution requirements:** The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2015/2016 school year, \$2,148,425 mandatory contributions were deducted from the salaries of eligible employees who were participants of the System during that school year. The estimated covered payroll for the town is \$29,633,000.

The Town has no obligation to contribute to the plan; as such, a schedule of contributions is not presented.

Town of Windsor, Connecticut

Notes to Financial Statements

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**Note 8. Employee Retirement Plans (Continued)**

**Actuarial assumptions:** The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – Jun 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00%
Salary increases, including inflation	3.75-7.00 percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP 2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging Markets (non-U.S)	9.00%	8.30%
Core fixed income	7.00%	1.30%
Inflation Linked Bond fund	3.00%	1.00%
Emerging market bond	5.00%	3.70%
High yield bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Cash	6.00%	0.40%
	100.00%	

**Discount rate:** The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.



**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 8. Employee Retirement Plans (Continued)**

**Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:**

The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's share of net pension liability associated with the Town	\$ 103,202,711	\$ 81,836,695	\$ 63,675,425

**Pension liabilities, pension expense, and deferred inflows/outflows of resources:** The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$81,836,695 and 100% of the collective net pension liability is allocated to the State. The Town has no proportionate share of net pension liability.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2016, the Town recognized \$6,557,181 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

**Note 9. Other Post-Employment Benefits**

In addition to providing pension benefits, the Town instituted a policy providing 50% to 75% of certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

**Post-retirement benefits:** From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of postemployment healthcare in the year when the employee services are received, disclosed the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

**Plan description:** The Town provides post-employment benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2015. The post-retirement plan does not issue stand-alone financial reports.

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 9. Other Post-Employment Benefits (Continued)**

The contribution requirements of plan members and the Town are established and may be amended by the Town.

Membership in the plan consisted of the following at July 1, 2013:

Retirees and beneficiaries receiving benefits	252
Active plan members	677
<b>Total</b>	<u>929</u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual determined contribution of the employer (ADC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method. In FY2015 the Town established a trust fund for the purpose of prefunding Other Post-Employment Benefits.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 7,473,226	\$ 2,240,000	29.97%	\$ 29,985,344
6/30/15	\$ 6,227,743	\$ 2,595,904	41.68%	\$ 33,617,183
6/30/16	\$ 6,624,331	\$ 2,593,319	39.15%	\$ 37,648,195

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll
7/1/13	\$ -	\$ 71,595,156	\$ (71,595,156)	0.0%	\$ 44,515,553

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

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**Note 9. Other Post-Employment Benefits (Continued)**

**OPEB obligation:**

Annual required contribution	\$ 6,762,112
Interest on net pension obligation	1,680,859
Adjustment to annual required contribution	<u>(1,818,640)</u>
Annual OPEB cost	6,624,331
Contributions made	<u>2,593,319</u>
Increase in net OPEB liability	4,031,012
Net OPEB obligation, beginning of year	<u>33,617,183</u>
Net OPEB obligation, end of year	<u><u>\$ 37,648,195</u></u>

Actuarial assumptions are as follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit
Asset funding method	N/A
Amortization method	Level Percent (closed)
Remaining amortization period	30 Years Decreasing (non-police), 20 years Decreasing(Police)
Valuation type	Closed Group
Actuarial assumptions	
Discount rate	5.00%
Inflation rate	2.75%
Amortization growth rate	3.00%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:
	Initial inflation rate: 6.8%
	Ultimate inflation rate: 4.7%
	Years until ultimate inflation rate 69 years for pre-65; 84 years for post-65

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Town performed an actuarial valuation as of July 1, 2013, which will be used to determine the June 30, 2015 and 2016 annual contribution. The July 1, 2013 valuation shows an actuarial accrued liability of \$71,595,156.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 10. Risk Management

The Town self-insures its liability for workers' compensation claims to a limit of \$600,000 per employee. Aggregate claims in excess of that amount up to \$20,000,000, as well as any individual claim up to \$1,000,000 are fully insured. USI/FutureComp, a fully qualified, third-party administrator, is the current administrator of the program and assists management in determining the liability at year-end. As employee claims are processed and certified for payment by the third party administrator, payment is made out of the Internal Service Fund. The accrued liability made for this purpose is determined annually based on prior experience and the amount of unsettled claims outstanding on an actuarial basis.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Employee health/medical claims are self-funded through Anthem Blue Cross/Blue Shield of Connecticut and Express Scripts. Funds are transferred into the Insurance Internal Service Fund from other funds and are available to pay the health/medical premium costs.

The Town is self-insured for health benefits. Claim activity and service fees are accounted for in a self-insurance reserve fund. The Town has Individual Stop Loss (ISL) coverage that limits the Town's liability to \$150,000 annually. On an aggregate basis, the Town's liability is limited to 125% of expected claims (approximately \$3,200,000). Claims exceeding the Town's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims and calculates and provides the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Arthur J. Gallagher & Co., the Town's consultant, analyzes claims and advises the Town on all health insurance related issues. Conservatively, through the budget process and available reserves, the Town will project to have at a minimum, the Town's maximum liability available to process expected claims.

The BOE records its liability for health benefits in a self-insurance reserve fund and accounts for claim activity and service fees on a self-insured basis. The BOE has Individual Stop Loss (ISL) coverage that limits the BOE's liability to \$150,000 annually. On an aggregate basis, the BOE's liability is limited to 110% of expected claims (approximately \$11,300,000). Claims exceeding the BOE's maximum liability are fully insured through stop loss coverage (Aggregate and ISL). Anthem, the provider, administers the payment of claims. Lockton Companies, the BOE's consultant, analyzes claims and advises the BOE on all health insurance related issues as well as calculating and providing the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Conservatively, through the budget process and available reserves, the BOE will project to have at a minimum, the BOE's maximum liability available to process expected claims.

**Town of Windsor, Connecticut**

**Notes to Financial Statements**

**Note 10. Risk Management (Continued)**

The following is a schedule of changes in the aggregate liabilities for the Internal Service Fund claims:

Workers' Compensation / Heart and Hypertension / Liability	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2014-15	\$ 1,560,817	\$ 2,491,960	\$ 2,407,309	\$ 1,645,468
2015-16	1,645,468	1,968,514	1,680,313	1,933,669

Town - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2014-15	\$ 161,882	\$ 4,199,493	\$ 4,160,651	\$ 200,724
2015-16	200,724	3,973,410	4,011,555	162,579

BOE - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2014-15	\$ 495,398	\$ 9,188,967	\$ 9,231,617	\$ 452,748
2015-16	452,748	9,691,990	9,662,039	482,699

The Town has commercial general liability and auto liability with levels of coverage of \$3,000,000 and \$1,000,000, respectively, with umbrella coverage up to \$15,000,000. There have been no significant reductions in insurance coverage from the level of coverage in the prior year. Furthermore, for the past three fiscal years, no settlements have exceeded insurance coverage.

The Town maintains a limited risk management program for general liability, auto and fire losses. Property and casualty risks are fully insured except for the general environmental liability exposure represented by the landfill, which is essentially uninsurable.

**Note 11. Contingencies**

The Town has received state and federal grants for specific purposes that are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$79,892,703 or 8.74% of the debt of the District.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 11. Contingencies (Continued)

**Lawsuits:** Various litigations, principally involving claims for personal injury and contested tax assessment, are pending against the Town. The outcome and eventual liability of the Town, if any, in these cases are not known at this time. The Town's management does not believe any potential claims against the Town would have a material adverse effect on the financial position of the Town.

#### Note 12. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the Town to place a final cover on its 65 acre landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure. Under these regulations, the landfill has established a horizontal footprint of 55 acres which is now the basis of maximum horizontal expansion without providing a liner system. The results of a July 2014 capacity analysis show that the landfill has reached its overall capacity as of June 30, 2014. The landfill stopped accepting commercial waste on July 1, 2014, and has since converted to a transfer facility for residents.

The \$37,080,000 reported as landfill closure and post-closure care liability at June 30, 2016, is \$90,000 less than the liability reported on June 30, 2015. This decrease, or adjustment in estimated closure costs accrued to date, directly increases the operating income for the Landfill Enterprise Fund in fiscal year 2016. These amounts are based on what it would cost to perform all closure and post-closure care at 2016 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the State of Connecticut stewardship permit, changes in technology, changes in the regulations, or if some or most of the work is performed by staff. The engineering analysis assumes that numerous engineering and construction procedures will be required.

The landfill served the Towns of Bloomfield and Windsor. An agreement (dated November 19, 1993) exists between the two communities. This agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states: "the two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all federal and state requirements are met." The Town of Windsor is responsible for the funding, accounting and financial reporting for the landfill on behalf of both towns. The post-closure cost will be covered by the landfill's funds. If those funds run out, and only if they do, then the Town of Windsor and the Town of Bloomfield will split the costs. It is anticipated that no additional amount will be required from the Towns for closure of the landfill.

The landfill is currently operating under the State of Connecticut stewardship permit issued by the Department of Energy and Environmental Protection (DEEP) that addresses the requirements of the regulations, including the control and monitoring of leachate and landfill generated gases.

#### Note 13. Fund Deficit

The following fund had a net fund deficit as of June 30, 2016:

Landfill Fund	<u>\$9,505,860</u>
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The fund deficit will be funded using the Landfill Fund cash and investments and if needed by the General Fund once the Landfill Fund cash and investments are exhausted.

## Town of Windsor, Connecticut

### Notes to Financial Statements

#### Note 14. Fund Balances

The Town classifies fund balances under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The details for the Town's fund balance are the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Non-spendable:			
Inventories	\$ 21,599	\$ -	\$ 9,102
Scholarship fund principal	-	-	13,000
<b>Total nonspendable</b>	<b>21,599</b>	<b>-</b>	<b>22,102</b>
Restricted:			
Scholarship funding	-	-	2,437
Library operations & recreation	-	-	84,235
Human services programs	-	-	202,223
Public safety programs	-	-	139,779
Road construction and maintenance	-	-	1,125,703
Community development block grant loans	-	-	2,144,650
Road and sidewalk construction and maintenance	-	814,704	-
School capital improvements	-	884,352	-
Other capital projects	-	461,574	-
Other programs	-	-	48,886
<b>Total restricted</b>	<b>-</b>	<b>2,160,630</b>	<b>3,747,913</b>
Committed:			
Open space program	-	-	526,807
School capital improvements	-	358,998	-
Road and sidewalk construction and maintenance	-	1,472,729	-
Other capital projects	-	2,375,843	-
Debt Service	-	-	1,046,311
<b>Total committed</b>	<b>-</b>	<b>4,207,570</b>	<b>1,573,118</b>
Assigned:			
Subsequent year expenditures	900,000	-	-
Use of fund balance in subsequent year	101,735	-	-
Encumbrances	-	-	-
Education	960,661	-	219,142
General government activities	308,806	-	-
Recreation programs	891,229	-	-
Clinic services	58,570	-	-
Public safety and police private duty	885,454	-	-
Building maintenance	621,525	-	-
Community development	-	-	98,688
Other capital projects	-	987,525	-
<b>Total assigned</b>	<b>4,727,980</b>	<b>987,525</b>	<b>317,830</b>
Unassigned	19,642,852	-	-
<b>Total fund balance</b>	<b>\$ 24,392,431</b>	<b>\$ 7,355,725</b>	<b>\$ 5,660,963</b>

Encumbrances contained in the above table are as follows: \$983,414 in the General Fund, \$2,622,112 in the Capital Projects Fund, and \$5,177 in Nonmajor Governmental Funds.

**Note 15. Governmental Accounting Standards Board (GASB) Statements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
  - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
  - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
  - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
  - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
  - The gross dollar amount of taxes abated during the period
  - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.



## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 15. Governmental Accounting Standards Board (GASB) Statements

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

## Town of Windsor, Connecticut

### Notes to Financial Statements

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#### Note 15. Governmental Accounting Standards Board (GASB) Statements

- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

#### Note 16. Restatement

The Town's financial statements have been restated as of June 30, 2015. The restatement is a result of the restatement of the Connecticut Municipal Employees' Retirement System (CMERS). The restatement to the July 1, 2014 fiduciary net position of the CMERS plan reflects the gross amount of contributions receivable to the plan from participating employers instead of the present value of the contributions receivable as previously reported by the plan. Governmental Activities will show a restatement of net position for the beginning of the year as follows:

Net position, June 30, 2015, as previously reported	\$ 68,373,515
Remove: June 30, 2015 net pension liability as previously reported:	1,552,541
Add: June 30, 2015 net pension asset per restatement of MERS plan	3,947,859
Net position, June 30, 2015, as restated	<u>\$ 73,873,915</u>

The restatement described above was due to the CMERS pension plan recording for the first time the contribution receivable for employers who have entered into installment agreements for payment of their prior year service cost liability. The installment agreements are normally for a 30 year period. Prior to the issuance of GASB Statement No. 68, these amounts may not have been recorded as a payable to the plan on the employer's financial statements. GASB Statement No. 68, paragraphs 120 to 122 requires that the contribution payable be properly accounted for and reported in the participating employer's financial statements.

**Required Supplementary  
Information - Unaudited**



**Town of Windsor, Connecticut**

**Required Supplementary Information - unaudited  
Schedule of Investment Returns - Defined Benefit Plan  
Last Three Fiscal Years  
June 30, 2016**

	2016	2015	2014
Annual money-weighted rate of return, net of investment income*	-2.01%	1.45%	16.25%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Town of Windsor, Connecticut**

**Required Supplementary Information - unaudited  
Schedule of Employer Contributions - Defined Benefit Plan  
June 30, 2016**

	Schedule of Contributions - Pension										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Actuarially determined contribution	\$ 1,026,539	\$ 998,378	\$ 1,311,760	\$ 1,367,561	\$ 1,334,389	\$ 1,273,290	\$ 843,833	\$ 834,453	\$ 827,855	\$ 737,493	
Contributions in relation to the actuarially determined contribution	1,026,539	998,378	1,311,760	1,367,561	1,334,389	1,273,290	843,833	834,453	827,855	737,493	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	14,982,909	15,744,000	15,947,000	15,895,000	15,782,000	15,875,000	15,672,000	15,265,000	14,776,000	14,101,000	
Contributions as a percentage of covered-employee payroll	6.85%	6.34%	8.23%	8.60%	8.46%	8.02%	5.38%	5.47%	5.60%	5.23%	

**Town of Windsor, Connecticut**

**Required Supplementary Information – unaudited  
Schedule of Changes in Net Pension Liability (NPL) and Related Ratios – Defined Benefit Plan  
Last Three Fiscal Years  
June 30, 2016  
(in 000s)**

Changes in Net Pension Liability	2016	2015	2014
Total pension liability:			
Service cost	\$ 1,090	\$ 1,145	\$ 1,206
Interest on total pension liability	5,385	5,193	4,973
Effect of plan changes	-	-	-
Effect of economic/demographic gains or (losses)	20	(179)	(41)
Effect of assumption changes or inputs	1,007	-	-
Benefit payments	(3,481)	(3,211)	(3,112)
<b>Net change in total pension liability</b>	<b>4,021</b>	<b>2,948</b>	<b>3,026</b>
Total pension liability, beginning	72,603	69,655	66,629
Total pension liability, ending (a)	76,624	72,603	69,655
Fiduciary net position:			
Employer contributions	\$ 1,027	\$ 998	\$ 1,312
Member contributions	509	613	618
Investment income net of investment expenses	(1,271)	931	9,135
Benefit payments	(3,481)	(3,211)	(3,112)
Administrative expenses	(19)	(13)	(58)
Net change in plan fiduciary net position	(3,235)	(682)	7,895
Fiduciary net position, beginning	64,485	65,167	57,272
Fiduciary net position, ending (b)	61,249	64,485	65,167
Net pension liability, ending = (a) - (b)	\$ 15,375	\$ 8,118	\$ 4,488
Fiduciary net position as a % of total pension liability	79.93%	88.82%	93.56%
Covered payroll	\$ 14,983	\$ 15,744	\$ 15,947
Net pension liability as a % of covered payroll	102.62%	51.56%	28.14%

NOTE: As 2014 is the implementation year, only 2014, 2015 and 2016 information is available. Ten year information will be presented as each year becomes available

**Town of Windsor, Connecticut**

**Schedule of Contributions - Connecticut Municipal Employees' Retirement System (CMERS)  
 Required Supplementary Information - unaudited  
 Last Three Fiscal Years  
 For the Year Ended June 30, 2016**

Measurement Period Ended June 30,	2016	2015	2014
Actuarially determined contribution	\$ 839,857	\$ 914,805	\$ 1,090,885
Contribution in relation to the actuarially determined contribution	839,857	914,805	1,090,885
<b>Contribution deficiency (excess)</b>	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,759,928	\$ 5,528,217	\$ 5,528,217
Contributions as a percentage of covered-employee payroll	14.58%	16.55%	19.73%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.



**Town of Windsor, Connecticut**

**Schedule of the Town's Proportionate Share of the Net Pension Liability -  
Connecticut Municipal Employees' Retirement System (CMERS)  
Required Supplementary Information - unaudited  
Last Two Fiscal Years  
For the Year Ended June 30, 2016**

	2016	2015
Town's proportion of the net pension liability	0.000000%	0.000000%
Town's proportionate share of the net pension (asset) liability	\$ (3,332,712)	\$ (3,947,859)
Town's covered-employee payroll	<u>\$ 5,759,928</u>	<u>\$ 5,528,217</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>-57.86%</u>	<u>-71.41%</u>
System fiduciary net position as a percentage of the total pension liability	<u>92.72%</u>	<u>90.48%</u>

The allocation totals and percentages for the year-ending June 30, 2015 have been adjusted based on a restatement to the Connecticut Municipal Employees Retirement System fiduciary net assets. The July 1, 2014 fiduciary net position was increased \$139,565,000 to include the gross amount of contributions receivable.

**Town of Windsor, Connecticut**

**Schedule of the Town's Proportionate Share of the Net Pension Liability -  
Teachers' Retirement System  
Required Supplementary Information - unaudited  
Last Two Fiscal Years  
For the Year Ended June 30, 2016**

	2016	2015
Town's proportion of the net pension liability	0.8%	0.0%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>\$ 81,836,695</u>	<u>\$ 75,641,625</u>
Total	<u>\$ 81,836,695</u>	<u>\$ 75,641,625</u>
Town's covered-employee payroll	<u>\$ 30,419,140</u>	<u>\$ 29,228,000</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0%</u>	<u>0%</u>
System fiduciary net position as a percentage of the total pension liability	<u>59.50%</u>	<u>61.51%</u>

**Notes to Schedule**

Change in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

**Town of Windsor, Connecticut**

**Required Supplementary Information - unaudited  
 Schedule of Funding Progress and Schedule of Employer Contributions –  
 Other Post-Employment Benefits  
 June 30, 2016**

*Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)
July 1, 2007	\$ -	\$ 66,013,000	\$ (66,013,000)	0.0%
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%
July 1, 2011	\$ -	\$ 74,028,000	\$ (74,028,000)	0.0%
*July 1, 2013	\$ -	\$ 71,595,156	\$ (71,595,156)	0.0%

\*Amount revised due to creation of OPEB trust

*Schedule of Employer Contributions*

Year ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 7,185,000	29.02%
2011	7,118,000	29.04%
2012	7,681,000	29.72%
2013	7,258,000	28.20%
2014	7,831,000	28.60%
2015	6,299,617	41.20%
2016	6,762,112	38.40%

Town of Windsor, Connecticut

**Required Supplementary Information - Unaudited**  
**Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance - Budgetary Basis**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 88,290,620	\$ 88,290,620	\$ 89,012,808	\$ 722,188
Licenses and permits	629,230	629,230	916,974	287,744
Fines, forfeitures and penalties	40,000	40,000	45,209	5,209
Other agencies	113,750	113,750	139,218	25,468
Intergovernmental	15,162,060	15,162,060	14,539,764	(622,296)
Revenues from use of assets	513,830	513,830	525,743	11,913
Charges for services	734,650	734,650	1,165,258	430,608
<b>Total revenues</b>	<b>105,484,140</b>	<b>105,484,140</b>	<b>106,344,974</b>	<b>860,834</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	966,020	1,000,570	999,458	1,112
Safety service	9,976,810	9,976,810	9,707,277	269,533
Public works	5,277,280	5,171,240	4,969,837	201,403
Health services	477,170	477,170	440,645	36,525
Human services	873,760	873,760	829,398	44,362
Recreation and leisure services	1,412,430	1,070,030	1,064,793	5,237
Education	66,025,950	65,902,350	65,798,461	103,889
Town support for education	4,604,720	2,134,940	2,134,835	105
Library services	1,590,340	1,590,340	1,574,820	15,520
Development services	1,799,370	1,799,370	1,663,547	135,823
Information services	436,140	436,140	428,262	7,878
Administrative services	2,152,930	2,152,930	2,075,212	77,718
Community development	92,500	92,500	92,500	-
General services	10,785,020	5,697,078	5,641,315	55,763
<b>Total expenditures</b>	<b>106,470,440</b>	<b>98,375,228</b>	<b>97,420,360</b>	<b>954,868</b>
<b>Revenues over (under) expenditures</b>	<b>(986,300)</b>	<b>7,108,912</b>	<b>8,924,614</b>	<b>1,815,702</b>
<b>Other financing sources (uses):</b>				
Transfers in	86,300	86,300	78,508	(7,792)
Transfers out	-	(8,095,212)	(8,095,212)	-
Use of fund balance	-	(177,574)	(177,574)	-
<b>Total other financing sources (uses)</b>	<b>86,300</b>	<b>(8,186,486)</b>	<b>(8,194,278)</b>	<b>(7,792)</b>
<b>Net change in budgetary fund balance</b>	<b>\$ (900,000)</b>	<b>\$ (1,077,574)</b>	<b>730,336</b>	<b>\$ 1,807,910</b>
Budgetary fund balance, beginning			19,935,850	
Budgetary fund balance, ending			20,666,186	
<b>Less:</b>				
Inventory			(21,599)	
FY 17 appropriation of fund balance			(900,000)	
FY 17 town council appropriation			(101,735)	
<b>Unassigned fund balance, ending</b>			<b>19,642,852</b>	
Unassigned, beginning			18,974,637	
<b>Net change in unassigned fund balance</b>			<b>\$ 668,215</b>	

See notes to required supplementary information.

**Town of Windsor, Connecticut**

**Note to Required Supplementary Information (Unaudited)**

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**Note 1. Budgets and Budgetary Accounting**

**General Fund:** Budget policies in accordance with the Town Charter, Chapter 8, Sections 8-1 through 8-4, are as follows:

- A. Prior to April 1, the Town Manager submits the proposed budget for the General Fund to the Town Council.
- B. After various public hearings, the Town Council recommends the budget, as revised, for adoption at the annual Town Meeting on the first Tuesday in May.
- C. The Town Meeting appropriates the budget as one balance for revenues and separate expenditure amounts per individual service unit. Additional appropriations and transfers between functions and activities may be made by the Town Council in accordance with Town Charter provisions, thereby lowering the legal level of control to the function and activity levels. The level at which expenditures may not legally exceed appropriations is at the service unit level, i.e., safety services, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$177,574 as a result of fund balance and revenue appropriations during the year ended June 30, 2016. The additional appropriations were approved in accordance with the Town Charter.
- E. A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America (GAAP) to the amounts presented on the budgetary basis is as follows:

	Revenues and Transfers	Expenditures and Transfers
	<u>                    </u>	<u>                    </u>
Balance, GAAP basis	\$ 115,069,063	\$ 114,303,514
State teachers retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(7,240,000)	(7,240,000)
Reclassified to General Fund, as funds were previously reported as special revenue funds, and no longer meet the definition in accordance with GASB 54.	(1,405,581)	(1,702,979)
Encumbrances:		
June 30, 2015	-	(650,803)
June 30, 2016	-	983,414
<b>Balance, budgetary basis</b>	<u><u>\$ 106,423,482</u></u>	<u><u>\$ 105,693,146</u></u>

- F. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

**Town of Windsor, Connecticut**

**Note to Required Supplementary Information (Unaudited)**

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**Note 1. Budgets and Budgetary Accounting (Continued)**

**Special Revenue Funds:** The town includes special revenue funds within the adopted annual operating budget. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the State or other grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

**Capital Projects Funds:** Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

**Combining and Individual Fund  
Financial Statements and Other Schedules**





## **Nonmajor Governmental Funds**

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***Special Revenue Funds***

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

**Cafeteria:** Accounts for revenue and expenditures of the food service operations in the Windsor Public Schools

**Community Rehabilitation Program:** Accounts for block grants received from the United States Department of Housing and Urban Development.

**J. Bartash Expendable Trust Fund:** Accounts for a bequest made to the Town by a former resident.

**Treehouse Fund:** Accounts for revenue and expenditures for before and after school childcare provided by the school system.

**Other Special Revenue Funds:** Accounts for intergovernmental and private grants for various special projects administered by the Town.

**Capital Project - Open Space:** Accounts for funds received through donations and appropriations from the General Fund for the acquisition and improvement of open space.

### ***Debt Service Funds***

**Debt Service Fund:** Accounts for all debt service transactions.

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Town of Windsor, Connecticut

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue	
	Cafeteria	Community Rehabilitation Program
<b>Assets</b>		
Cash and cash equivalents	\$ 100,823	\$ 85,164
Investments	-	29,393
Community rehabilitation loans, net	-	2,144,650
Accounts receivable	208,413	4,327
Prepays	-	-
Inventories	9,102	-
<b>Total assets</b>	<u>318,338</u>	<u>\$ 2,263,534</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 40,126	\$ 20,196
Unearned revenue	-	-
Due to other funds	111,897	-
<b>Total liabilities</b>	<u>152,023</u>	<u>20,196</u>
Deferred inflows of resources:		
Unavailable revenue	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>
Fund balances:		
Nonspendable	9,102	-
Restricted	-	2,144,650
Committed	-	-
Assigned	157,213	98,688
<b>Total fund balances</b>	<u>166,315</u>	<u>2,243,338</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 318,338</u>	<u>\$ 2,263,534</u>

J. Bartash Expendable Trust Fund	Special Revenue		Capital Project	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ 15,437	\$ 85,551	\$ 1,151,543	\$ 391,423	\$ 780,075	\$ 2,610,016
-	-	411,395	135,384	269,236	845,408
-	-	-	-	-	2,144,650
-	6,774	47,949	-	-	267,463
-	5,247	-	-	-	5,247
-	-	-	-	-	9,102
<u>\$ 15,437</u>	<u>\$ 97,572</u>	<u>\$ 1,610,887</u>	<u>\$ 526,807</u>	<u>\$ 1,049,311</u>	<u>\$ 5,881,886</u>

\$ -	\$ 7,965	\$ 10,061	\$ -	\$ 3,000	\$ 81,348
-	7,758	-	-	-	7,758
-	19,920	-	-	-	131,817
-	35,643	10,061	-	3,000	220,923

-	-	-	-	-	-
-	-	-	-	-	-

13,000	-	-	-	-	22,102
2,437	-	1,600,826	-	-	3,747,913
-	-	-	526,807	1,046,311	1,573,118
-	61,929	-	-	-	317,830
<u>15,437</u>	<u>61,929</u>	<u>1,600,826</u>	<u>526,807</u>	<u>1,046,311</u>	<u>5,660,963</u>

<u>\$ 15,437</u>	<u>\$ 97,572</u>	<u>\$ 1,610,887</u>	<u>\$ 526,807</u>	<u>\$ 1,049,311</u>	<u>\$ 5,881,886</u>
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Town of Windsor, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2016

	Special Revenue	
	Cafeteria	Community Rehabilitation Program
Revenues:		
Intergovernmental	\$ 1,425,234	\$ 160,757
Sale of food	1,112,752	-
Income from investments	-	5,747
Charges for services	-	-
Other	3,675	290
<b>Total revenues</b>	<b>2,541,661</b>	<b>166,794</b>
Expenditures:		
General government	-	102,204
Culture and recreation	-	-
Human services	-	-
Education	2,428,608	-
Public works	-	-
Public safety	-	-
Debt service	-	-
<b>Total expenditures</b>	<b>2,428,608</b>	<b>102,204</b>
<b>Revenues over (under) expenditures</b>	<b>113,053</b>	<b>64,590</b>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Premium on bonds issued	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances</b>	<b>113,053</b>	<b>64,590</b>
Fund balances, beginning	53,262	2,178,748
<b>Fund balances, ending</b>	<b>\$ 166,315</b>	<b>\$ 2,243,338</b>

J. Bartash Expendable Trust Fund	Special Revenue		Capital Projects	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ -	\$ 506,084	\$ 688,253	\$ -	\$ -	\$ 2,780,328
-	-	-	-	-	1,112,752
41	-	4,639	1,483	-	11,910
-	-	15,267	2,190	-	17,457
-	-	149,077	-	-	153,042
41	506,084	857,236	3,673	-	4,075,489
-	-	115,321	9,899	-	227,424
-	-	76,120	-	-	76,120
-	-	149,729	-	-	149,729
300	524,186	-	-	-	2,953,094
-	-	445,434	-	-	445,434
-	-	112,229	-	-	112,229
-	-	-	-	6,672,435	6,672,435
300	524,186	898,833	9,899	6,672,435	10,636,465
(259)	(18,102)	(41,597)	(6,226)	(6,672,435)	(6,560,976)
-	-	-	50,000	6,571,130	6,621,130
-	-	-	-	-	-
-	-	-	-	116,613	116,613
-	-	-	50,000	6,687,743	6,737,743
(259)	(18,102)	(41,597)	43,774	15,308	176,767
15,696	80,031	1,642,423	483,033	1,031,003	5,484,196
\$ 15,437	\$ 61,929	\$ 1,600,826	\$ 526,807	\$ 1,046,311	\$ 5,660,963

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**Nonmajor Enterprise Funds**

## **Nonmajor Enterprise Funds**

Enterprise funds are maintained to account for the Town's ongoing organizations and activities that are similar to those found in the private sector. The Town's three nonmajor enterprise funds are:

**Child Development** – Accounts for the operations of the Windsor Child Development Center which provides day care services to Town residents and to employees of businesses located in Windsor.

**Adult Caring Connection** – Accounts for the operations of the Windsor Adult Caring Center which provides for the needs of the elderly and handicapped adults of the Town.

**Resident Transfer Station** – Accounts for the operations of the Resident Transfer Station on Huckleberry Road, adjacent to the Landfill. This facility is for residents who choose to bring their solid waste and recyclables to this site versus putting it at the curb for removal.

**Town of Windsor, Connecticut**

**Combining Statement of Net Positions  
Nonmajor Enterprise Funds  
June 30, 2016**

	Child Development	Adult Caring Connection	Resident Transfer Station	Total
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 324,633	\$ 74,713	\$ 193,281	\$ 592,627
Investments	112,044	25,786	66,709	204,539
Customer receivable, net	16,157	48,163	4,476	68,796
<b>Total current assets</b>	<b>452,834</b>	<b>148,662</b>	<b>264,466</b>	<b>865,962</b>
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	10,000	8,522	-	18,522
<b>Total assets</b>	<b>462,834</b>	<b>157,184</b>	<b>264,466</b>	<b>884,484</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	30,905	10,864	10,765	52,534
Unearned revenue	12,197	-	142	12,339
<b>Total current liabilities</b>	<b>43,102</b>	<b>10,864</b>	<b>10,907</b>	<b>64,873</b>
Noncurrent liabilities:				
Compensated absences	25,745	11,360	-	37,105
<b>Total noncurrent liabilities</b>	<b>25,745</b>	<b>11,360</b>	<b>-</b>	<b>37,105</b>
<b>Total liabilities</b>	<b>68,847</b>	<b>22,224</b>	<b>10,907</b>	<b>101,978</b>
Net position:				
Net investment in capital assets	10,000	8,522	-	18,522
Unrestricted	383,987	126,438	253,559	763,984
<b>Total net position</b>	<b>\$ 393,987</b>	<b>\$ 134,960</b>	<b>\$ 253,559</b>	<b>\$ 782,506</b>

Town of Windsor, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Positions -  
 Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2016

	Child Development	Adult Caring Connection	Resident Transfer Station	Total
Operating revenues:				
Charges for services	\$ 1,089,127	\$ 450,090	\$ 254,880	\$ 1,794,097
Operating expenses:				
Salaries and benefits	836,176	351,483	42,621	1,230,280
Depreciation	1,000	2,202	-	3,202
Administrative expenses	33,105	23,321	2,121	58,547
Repairs and maintenance	16,363	-	-	16,363
Fuel and utilities	14,147	2,809	5,348	22,304
Outside services	32,978	35,685	95,831	164,494
Rent expense	118,830	71,710	-	190,540
<b>Total operating expenses</b>	<b>1,052,599</b>	<b>487,210</b>	<b>145,921</b>	<b>1,685,730</b>
<b>Operating income (loss)</b>	<b>36,528</b>	<b>(37,120)</b>	<b>108,959</b>	<b>108,367</b>
Nonoperating revenues:				
Interest income	1,211	148	-	1,359
<b>Income (loss) before transfers</b>	<b>37,739</b>	<b>(36,972)</b>	<b>108,959</b>	<b>109,726</b>
Transfers in	-	147,574	-	147,574
Transfers out	-	(78,508)	-	(78,508)
<b>Change in net position</b>	<b>37,739</b>	<b>32,094</b>	<b>108,959</b>	<b>178,792</b>
Net position, beginning of year	356,248	102,866	144,600	603,714
<b>Net position, end of year</b>	<b>\$ 393,987</b>	<b>\$ 134,960</b>	<b>\$ 253,559</b>	<b>\$ 782,506</b>

**Town of Windsor, Connecticut**

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds  
For the Year Ended June 30, 2016**

	Child Development	Adult Caring Connection	Resident Transfer Station	Totals
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 1,075,807	\$ 457,969	\$ 275,265	\$ 1,809,041
Payments to suppliers	(222,116)	(134,145)	(103,389)	(459,650)
Payments to employees	(852,115)	(350,511)	(42,915)	(1,245,541)
<b>Net cash (used in) provided by operating activities</b>	<b>1,576</b>	<b>(26,687)</b>	<b>128,961</b>	<b>103,850</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	147,574	-	147,574
Transfers out	-	(78,508)	-	(78,508)
<b>Net cash (used in) provided by financing activities</b>	<b>-</b>	<b>69,066</b>	<b>-</b>	<b>69,066</b>
<b>Cash flows from investing activities:</b>				
Interest received	1,211	148	-	1,359
Purchase of investments	(3,636)	(11,302)	(33,971)	(48,909)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,425)</b>	<b>(11,154)</b>	<b>(33,971)</b>	<b>(47,550)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(849)</b>	<b>31,225</b>	<b>94,990</b>	<b>125,366</b>
<b>Cash and cash equivalents:</b>				
Beginning	325,482	43,488	98,291	467,261
<b>Ending</b>	<b>\$ 324,633</b>	<b>\$ 74,713</b>	<b>\$ 193,281</b>	<b>\$ 592,627</b>
<b>Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:</b>				
Operating income (loss)	\$ 36,528	\$ (37,120)	\$ 108,959	\$ 108,367
<b>Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:</b>				
Depreciation	1,000	2,202	-	3,202
<b>Changes in assets and liabilities:</b>				
(Increase) Decrease in accounts receivable	(4,143)	7,879	20,243	23,979
(Decrease) increase in accounts payable and accrued liabilities	(22,632)	352	(383)	(22,663)
(Decrease) Increase in unearned revenue	(9,177)	-	142	(9,035)
<b>Net cash (used in) provided by operating activities</b>	<b>\$ 1,576</b>	<b>\$ (26,687)</b>	<b>\$ 128,961</b>	<b>\$ 103,850</b>

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**Fiduciary Funds**

## **Fiduciary Funds**

**Fiduciary Funds** are used to account for assets held in a trustee capacity for others and include Agency Funds.

**Agency Funds** are used to account for various Board of Education and Town activities. They are custodial in nature (assets equal liabilities) and are as follows:

- Student Activity Fund
- Adult Education
- Performance Bonds
- Town Escrow
- Scholarship Fund



**Town of Windsor, Connecticut**

**Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Student activity funds:				
Assets:				
Cash and cash equivalents	\$ 259,330	\$ 485,649	\$ 556,989	\$ 187,990
Liabilities:				
Accounts payable	\$ 259,330	\$ 485,649	\$ 556,989	\$ 187,990
Adult education:				
Assets:				
Cash and cash equivalents	\$ 6,858	\$ 28,638	\$ 27,232	\$ 8,264
Liabilities:				
Accounts payable	\$ 6,858	\$ 28,638	\$ 27,232	\$ 8,264
Performance bonds:				
Assets:				
Cash and cash equivalents	\$ 883,843	\$ 404,958	\$ 602,492	\$ 686,309
Liabilities:				
Accounts payable	\$ 883,843	\$ 404,958	\$ 602,492	\$ 686,309
Town escrow:				
Assets:				
Cash and cash equivalents	\$ 99,586	\$ 30,129	\$ 97,379	\$ 32,336
Liabilities:				
Accounts payable	\$ 99,586	\$ 30,129	\$ 97,379	\$ 32,336
Scholarship funds:				
Assets:				
Cash and cash equivalents	\$ 76,190	\$ 3	\$ 280	\$ 75,913
Liabilities:				
Accounts payable	\$ 76,190	\$ 3	\$ 280	\$ 75,913
Total agency funds:				
Assets:				
Cash and cash equivalents	\$ 1,325,807	\$ 949,377	\$ 1,284,372	\$ 990,812
Liabilities:				
Accounts payable	\$ 1,325,807	\$ 949,377	\$ 1,284,372	\$ 990,812

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## **Capital Asset Schedule**



**Town of Windsor, Connecticut**

**Capital Assets Used in the Operation of Governmental Funds - Net of Depreciation  
June 30, 2016**

	Land	Buildings	Machinery and Equipment	Construction in Progress	Infrastructure	Totals
General government	\$ 773,062	\$ 1,309,372	\$ 2,012,810	\$ -	\$ -	\$ 4,095,244
Education	324,612	44,667,372	2,133,036	-	-	47,125,020
Culture and recreation	1,795,390	7,027,084	997,771	-	-	9,820,245
Human services	300,544	746,067	236,042	-	-	1,282,653
Public safety	312,078	8,295,876	3,699,980	-	-	12,307,934
Public works	1,407,141	731,792	895,479	6,518,592	19,381,205	28,934,209
<b>Total</b>	<b>\$ 4,912,827</b>	<b>\$ 62,777,563</b>	<b>\$ 9,975,118</b>	<b>\$ 6,518,592</b>	<b>\$ 19,381,205</b>	<b>\$ 103,565,305</b>

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**Other Schedules**





**Town of Windsor, Connecticut**

**Balance Sheet - By Account - General Fund  
June 30, 2016**

	General Fund	Other Programs	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 19,590,286	\$ 2,083,524	\$ 21,673,810
Investments	6,761,417	704,875	7,466,292
Receivables (net of allowances for collection losses):			
Property taxes	1,380,972	-	1,380,972
Accounts receivable	263,055	85,775	348,830
Due from other funds	1,070,448	-	1,070,448
Inventories	21,599	-	21,599
	<u>29,087,777</u>	<u>2,874,174</u>	<u>\$ 31,961,951</u>
<b>Total assets</b>			
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,892,825	\$ 123,910	\$ 3,016,735
<b>Total liabilities</b>	<u>2,892,825</u>	<u>123,910</u>	<u>3,016,735</u>
Deferred inflows of resources:			
Advance tax collections	3,355,856	-	3,355,856
Unavailable resources	1,189,496	7,433	1,196,929
<b>Total deferred inflows of resources</b>	<u>4,545,352</u>	<u>7,433</u>	<u>4,552,785</u>
Fund balances:			
Nonspendable	21,599	-	21,599
Assigned	1,985,149	2,742,831	4,727,980
Unassigned	19,642,852	-	19,642,852
<b>Total fund balances</b>	<u>21,649,600</u>	<u>2,742,831</u>	<u>24,392,431</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>			
	<u>\$ 29,087,777</u>	<u>\$ 2,874,174</u>	<u>\$ 31,961,951</u>

Town of Windsor, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund  
For the Year Ended June 30, 2016

	General Fund	Other Programs	Eliminate Interfund Receivables	Totals
<b>Revenues:</b>				
Property taxes	\$ 89,012,808	\$ -	\$ -	\$ 89,012,808
State and Federal governments	21,906,514	-	-	21,906,514
Charges for services	2,512,963	1,397,814	-	3,910,777
Investment income	152,689	7,767	-	160,456
<b>Total revenues</b>	<b>113,584,974</b>	<b>1,405,581</b>	<b>-</b>	<b>114,990,555</b>
<b>Expenditures:</b>				
Current:				
Education	72,782,424	56,775	-	72,839,199
General government	12,213,068	141,793	-	12,354,861
Culture and recreation	2,703,513	1,355,189	-	4,058,702
Human services	1,294,660	79,218	-	1,373,878
Public safety	9,818,214	410,113	-	10,228,327
Public works	5,515,870	216,973	-	5,732,843
<b>Total expenditures</b>	<b>104,327,749</b>	<b>2,260,061</b>	<b>-</b>	<b>106,587,810</b>
<b>Revenues over (under) expenditures</b>	<b>9,257,225</b>	<b>(854,480)</b>	<b>-</b>	<b>8,402,745</b>
<b>Other financing sources (uses):</b>				
Transfers in	78,508	659,082	(659,082)	78,508
Transfers out	(8,272,786)	(102,000)	659,082	(7,715,704)
<b>Net other financing sources (uses)</b>	<b>(8,194,278)</b>	<b>557,082</b>	<b>-</b>	<b>(7,637,196)</b>
<b>Net change in fund balances</b>	<b>1,062,947</b>	<b>(297,398)</b>	<b>-</b>	<b>765,549</b>
Fund balances, beginning	20,586,653	3,040,229	-	23,626,882
<b>Fund balances, ending</b>	<b>\$ 21,649,600</b>	<b>\$ 2,742,831</b>	<b>\$ -</b>	<b>\$ 24,392,431</b>

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**Town of Windsor, Connecticut**

**Schedule of Property Taxes Levied, Collected and Outstanding  
For the Year Ended June 30, 2016**

Grand List Year	Balance Uncollected July 1, 2015	Current Levy	Lawful Corrections		Transfers to Suspend	Balance to be Collected
			Additions	Deletions		
2014	\$ -	\$ 88,431,166	\$ 694,909	\$ (326,923)	\$ -	\$ 88,799,152
2013	1,029,437	-	6,497	(25,622)	-	1,010,312
2012	323,612	-	3,323	(5,011)	(168,227)	153,697
2011	25,952	-	105	-	-	26,057
2010	6,425	-	-	-	-	6,425
2009	2,002	-	209	-	-	2,211
2008	2,225	-	-	-	-	2,225
2007	1,934	-	-	-	-	1,934
2006	1,589	-	-	-	-	1,589
2005	996	-	-	-	-	996
2004	877	-	513	-	-	1,391
2003	844	-	-	-	-	844
2002	736	-	-	-	-	736
2001	715	-	-	-	-	715
2000	684	-	-	-	-	684
	<u>\$ 1,398,028</u>	<u>\$ 88,431,166</u>	<u>\$ 705,556</u>	<u>\$ (357,556)</u>	<u>\$ (168,227)</u>	<u>\$ 90,008,967</u>

Less allowance for doubtful accounts

Suspend collections

Total collections

Collections					Balance Uncollected June 30, 2016
Taxes	Interest	Fees	Total		
\$ 87,708,131	\$ 303,465	\$ 900	\$ 88,012,496	\$ 1,091,021	
577,682	156,816	1,464	735,962	432,630	
100,747	34,641	456	135,844	52,950	
11,283	4,329	202	15,813	14,774	
1,310	1,120	24	2,455	5,115	
209	-	-	209	2,002	
-	-	-	-	2,225	
-	-	-	-	1,934	
-	-	-	-	1,589	
-	-	-	-	996	
513	-	-	513	877	
-	-	-	-	844	
-	-	-	-	736	
-	-	-	-	715	
-	-	-	-	684	
<u>\$ 88,399,876</u>	<u>\$ 500,371</u>	<u>\$ 3,046</u>	88,903,292	\$ 1,609,091	
				<u>565,069</u>	
				<u>\$ 1,044,022</u>	
<u>47,849</u>	<u>38,505</u>	<u>12</u>	<u>86,366</u>		
<u>\$ 88,447,725</u>	<u>\$ 538,875</u>	<u>\$ 3,058</u>	<u>\$ 88,989,658</u>		

**Town of Windsor, Connecticut**

**Schedule of Changes in Bond Indebtedness  
For the Year Ended June 30, 2016**

Description	Interest Rate (%)	Year	Maturity	Amount
Bonded debt:				
Public improvements refunding	2.0/2.5/4.0	2009	8/01/19	8,806,000
School refunding	2.0/2.5/4.0	2009	8/01/19	9,819,000
Public improvements	2.0/4.0	2010	4/15/25	3,980,000
School general obligation bond	2.0/4.0	2010	4/15/25	700,000
Public improvements refunding	3.0/5.0	2010	7/15/23	6,096,000
School refunding	3.0/5.0	2010	7/15/23	6,209,000
Public improvements	2.25/3.5	2011	4/1/24	3,450,000
School general obligation bond	2.25/3.5	2011	4/1/24	1,040,000
Public improvements	2.00	2012	5/1/24	4,490,000
Public improvements	1.25/2.0	2013	5/1/25	4,085,000
School general obligation bond	1.25/2.0	2013	5/1/25	950,000
Public improvements	2.0/3.0	2014	4/15/24	3,690,000
School general obligation bond	2.0/3.0	2014	4/15/24	1,330,000
Public improvements refunding	2.0/4.0	2014	8/15/22	3,355,000
School refunding	2.0/4.0	2014	8/15/22	915,000
Public improvements	2.0/2.5	2015	6/15/2027	3,165,000
School general obligation bond	2.0/2.5	2015	6/15/2027	2,205,000
Public improvements	2.00	2016	6/15/2028	3,755,000
School general obligation bond	2.00	2016	6/15/2028	530,000

**Total**

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
\$	3,884,000	\$ -	\$ 726,000	\$ 3,158,000
	4,206,000	-	829,000	3,377,000
	510,000	-	255,000	255,000
	90,000	-	45,000	45,000
	4,037,000	-	865,000	3,172,000
	3,953,000	-	715,000	3,238,000
	1,043,000	-	269,000	774,000
	357,000	-	81,000	276,000
	3,365,000	-	375,000	2,990,000
	3,413,000	-	341,000	3,072,000
	792,000	-	79,000	713,000
	3,320,000	-	370,000	2,950,000
	1,200,000	-	130,000	1,070,000
	3,320,000	-	-	3,320,000
	905,000	-	-	905,000
	3,165,000	-	265,000	2,900,000
	2,205,000	-	185,000	2,020,000
	-	3,755,000	-	3,755,000
	-	530,000	-	530,000
<b>\$</b>	<b>39,765,000</b>	<b>\$ 4,285,000</b>	<b>\$ 5,530,000</b>	<b>\$ 38,520,000</b>

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**Statistical Section**

## **Statistical Section - unaudited**

This part of the Town of Windsor, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

#### ***Financial Trends***

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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**Town of Windsor, Connecticut**

**Net Position By Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 58,558,140	\$ 59,634,623	\$ 63,449,890	\$ 64,077,359
Restricted	1,425,727	1,552,616	1,635,090	1,733,293
Unrestricted	28,283,131	27,877,242	22,327,156	19,347,287
<b>Total governmental activities   net position</b>	<b>\$ 88,266,998</b>	<b>\$ 89,064,481</b>	<b>\$ 87,412,136</b>	<b>\$ 85,157,939</b>
Business-type activities:				
Net investment in capital assets	\$ 324,863	\$ 221,335	\$ 185,621	\$ 176,810
Unrestricted	(10,939,282)	(8,148,396)	(7,053,081)	(7,294,876)
<b>Total business-type activities   net position</b>	<b>\$ (10,614,419)</b>	<b>\$ (7,927,061)</b>	<b>\$ (6,867,460)</b>	<b>\$ (7,118,066)</b>
Primary government:				
Net investment in capital assets	\$ 58,883,003	\$ 59,855,958	\$ 63,635,511	\$ 64,254,169
Restricted	1,425,727	1,552,616	1,635,090	1,733,293
Unrestricted	17,343,849	19,728,846	15,274,075	12,052,411
<b>Total primary government   net position</b>	<b>\$ 77,652,579</b>	<b>\$ 81,137,420</b>	<b>\$ 80,544,676</b>	<b>\$ 78,039,873</b>

\*Restated due to GASB Statement No. 68 implementation.

\*\*Restated due to MERS Plan restatement

		Fiscal Year									
		2011	2012	2013	2014*	2015**	2016				
\$	64,665,367	\$	64,624,458	\$	65,895,067	\$	66,129,757	\$	70,911,291	\$	68,217,968
	3,130,557		3,089,246		3,417,624		3,569,440		3,744,430		3,747,913
	16,317,739		10,227,152		7,068,714		(1,528,250)		(781,806)		(739,193)
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	84,113,663	\$	77,940,856	\$	76,381,405	\$	68,170,947	\$	73,873,915	\$	71,226,688
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	185,613	\$	210,947	\$	191,295	\$	168,583	\$	147,456	\$	139,298
	(6,924,285)		(6,207,178)		(5,735,536)		(6,546,422)		(7,830,016)		(8,862,652)
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	(6,738,672)	\$	(5,996,231)	\$	(5,544,241)	\$	(6,377,839)	\$	(7,682,560)	\$	(8,723,354)
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	64,850,980	\$	64,835,405	\$	66,086,362	\$	66,298,340	\$	71,058,747	\$	68,357,266
	3,130,557		3,089,246		3,417,624		3,569,440		3,744,430		3,747,913
	9,393,454		4,019,974		1,333,178		(8,074,672)		(8,611,822)		(9,601,845)
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	77,374,991	\$	71,944,625	\$	70,837,164	\$	61,793,108	\$	66,191,355	\$	62,503,334
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	

Town of Windsor, Connecticut

**Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 11,124,017	\$ 12,368,532	\$ 10,226,562	\$ 10,039,998
Culture & recreation	3,579,110	3,932,257	4,329,481	4,008,350
Human services	1,394,386	1,475,799	1,545,945	1,614,335
Public works	7,830,059	7,900,922	6,420,709	6,635,927
Education	64,184,074	68,566,869	75,436,627	77,319,195
Public safety	8,896,151	9,157,357	10,161,628	9,653,396
Interest expense	1,565,521	1,759,337	2,424,721	1,255,397
<b>Total governmental activities expenses</b>	<b>98,573,318</b>	<b>105,161,073</b>	<b>110,545,673</b>	<b>110,526,598</b>
Business-type activities:				
Landfill	2,635,732	2,048,943	1,542,767	3,112,891
Child development	1,112,628	1,197,174	1,234,799	1,233,772
Adult caring connection	567,040	610,401	662,319	567,145
Resident transfer station	-	-	-	-
<b>Total business-type activities</b>	<b>4,315,400</b>	<b>3,856,518</b>	<b>3,439,885</b>	<b>4,913,808</b>
<b>Total primary government expenses</b>	<b>102,888,718</b>	<b>109,017,591</b>	<b>113,985,558</b>	<b>115,440,406</b>
<b>Program revenue:</b>				
Governmental activities:				
Charges for services:				
General government	4,942,301	2,960,987	1,860,882	2,020,464
Culture & recreation	773,190	852,132	791,531	629,783
Human services	129,631	106,330	190,175	121,849
Public works	389,095	66,075	122,262	38,486
Education	1,690,607	1,797,684	1,685,284	1,625,059
Public safety	459,739	588,112	239,645	267,033
Operating grants and contributions:				
General government	1,560,661	3,484,538	584,945	192,777
Culture & recreation	528,657	77,013	469,411	357,582
Human services	144,525	174,974	83,513	86,126
Public works	353,997	205,717	50,620	21,880
Education	14,769,094	19,477,942	21,514,592	21,675,907
Public safety	154,746	65,236	280,373	171,307
Capital grants and contributions:				
General government	-	-	16,920	576,881
Public works	-	-	-	128,936
Education	1,159,255	54,135	172,744	679,628
<b>Total governmental activities program revenue</b>	<b>27,055,498</b>	<b>29,910,875</b>	<b>28,062,897</b>	<b>28,593,698</b>

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	11,524,755	\$	14,012,409	\$	12,509,058	\$	12,404,563	\$	13,781,510	\$	14,169,618
	4,109,577		4,274,494		4,334,836		4,241,754		4,361,987		4,707,146
	1,508,514		2,430,368		1,722,063		1,540,362		1,766,951		1,972,768
	7,056,984		6,807,050		6,989,982		7,181,146		7,451,758		7,282,125
	77,130,965		79,446,961		80,084,866		83,699,815		82,801,054		85,834,050
	10,150,274		10,603,500		11,087,007		11,443,091		11,300,247		11,516,901
	1,146,445		1,075,256		989,601		1,081,963		1,150,460		790,090
	112,627,514		118,650,038		117,717,413		121,592,694		122,613,967		126,272,698
	2,322,740		1,821,531		1,593,477		2,203,146		1,602,390		1,505,063
	1,295,539		1,303,193		1,276,546		1,240,443		1,188,261		1,052,599
	542,844		513,605		494,153		505,725		494,255		487,210
	-		-		-		-		117,647		145,921
	4,161,123		3,638,329		3,364,176		3,949,314		3,402,553		3,190,793
	116,788,637		122,288,367		121,081,589		125,542,008		126,016,520		129,463,491
	1,640,657		1,322,126		2,426,776		2,342,563		1,492,815		1,488,200
	715,831		836,456		826,727		1,001,011		1,353,217		1,375,165
	150,042		114,084		149,199		101,367		122,366		122,016
	225,617		146,472		154,782		227,409		774,638		164,682
	1,446,583		1,509,314		1,424,881		1,300,935		1,324,733		1,368,739
	135,567		694,937		528,477		1,025,507		845,582		522,184
	374,059		506,112		662,643		103,481		122,252		167,257
	238,632		36,281		64,936		35,568		35,524		38,316
	136,100		948,437		440,029		144,508		217,837		198,672
	221,571		206,719		205,209		406,698		407,134		407,465
	22,139,906		23,131,847		23,071,655		25,296,510		25,687,542		25,846,211
	169,971		130,439		107,447		89,448		18,875		77,300
	212,479		66,299		58,423		-		-		-
	262,473		329,573		250,847		1,691,839		1,153,113		446,223
	-		-		-		-		-		-
	28,069,488		29,979,096		30,372,031		33,766,844		33,555,628		32,222,430

(Continued)

**Town of Windsor, Connecticut**

**Changes in Net Position, Continued**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
Business-type activities:				
Charges for services:				
Landfill	\$ 4,020,021	\$ 3,645,534	\$ 2,064,217	\$ 2,544,966
Child development	1,146,713	1,168,468	1,242,989	1,236,607
Adult caring connection	600,271	645,399	744,902	743,707
Resident transfer station	-	-	-	-
Operating grants and contributions:				
Landfill	-	-	-	-
<b>Total business-type activities</b>				
<b>program revenues</b>	<b>5,767,005</b>	<b>5,459,401</b>	<b>4,052,108</b>	<b>4,525,280</b>
<b>Total primary government program</b>				
<b>revenues</b>	<b>32,822,503</b>	<b>35,370,276</b>	<b>32,115,005</b>	<b>33,118,978</b>
Net (expense) revenue:				
Governmental activities	(71,517,820)	(75,250,198)	(82,482,776)	(81,932,900)
Business-type activities	1,451,605	1,602,883	612,223	(388,528)
<b>Total primary government net expense</b>	<b>(70,066,215)</b>	<b>(73,647,315)</b>	<b>(81,870,553)</b>	<b>(82,321,428)</b>
General revenues and other changes in net positions:				
Governmental activities:				
Property taxes	69,017,335	71,318,509	76,625,138	75,411,646
Grants and contributions not restricted to				
specific programs	2,627,975	2,587,585	2,710,019	2,572,815
Unrestricted investment earnings	2,680,848	2,141,587	974,090	271,212
Miscellaneous	-	-	431,184	1,280,440
Insurance recovery	-	-	-	-
Transfers	-	-	90,000	142,590
<b>Total governmental activities</b>	<b>74,326,158</b>	<b>76,047,681</b>	<b>80,830,431</b>	<b>79,678,703</b>
Business-type activities:				
Unrestricted investment earnings	777,867	1,084,475	537,378	280,512
Transfers	-	-	(90,000)	(142,590)
<b>Total business-type activities</b>	<b>777,867</b>	<b>1,084,475</b>	<b>447,378</b>	<b>137,922</b>
<b>Total primary government</b>	<b>75,104,025</b>	<b>77,132,156</b>	<b>81,277,809</b>	<b>79,816,625</b>
Extraordinary				
State Teachers' on-behalf payments	-	-	(16,366,000)	-
State Teachers' on-behalf revenue	-	-	16,366,000	-
	-	-	-	-
Changes in net positions:				
Governmental activities	2,808,338	797,483	(1,652,345)	(2,254,197)
Business-type activities	2,229,472	2,687,358	1,059,601	(250,606)
<b>Total primary government</b>	<b>\$ 5,037,810</b>	<b>\$ 3,484,841</b>	<b>\$ (592,744)</b>	<b>\$ (2,504,803)</b>



Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 2,595,208	\$ 2,521,914	\$ 2,031,394	\$ 1,515,475	\$ 4,021	\$ 16,009	
1,324,437	1,254,844	1,282,770	1,135,806	1,160,654	1,089,127	
635,673	623,817	529,323	457,350	389,514	450,090	
-	-	-	-	262,247	254,880	
-	-	-	-	160,704	174,673	
4,555,318	4,400,575	3,843,487	3,108,631	1,977,140	1,984,779	
32,624,806	34,379,671	34,215,518	36,875,475	35,532,768	34,207,209	
(84,558,026)	(88,670,942)	(87,345,382)	(87,825,850)	(89,058,339)	(94,050,268)	
394,195	762,246	479,311	(840,683)	(1,425,413)	(1,206,014)	
(84,163,831)	(87,908,696)	(86,866,071)	(88,666,533)	(90,483,752)	(95,256,282)	
78,391,639	79,945,496	81,938,005	83,295,005	87,108,437	89,289,617	
1,997,469	1,886,647	1,797,584	1,770,956	1,803,815	1,776,947	
290,418	331,148	169,312	158,936	154,803	200,456	
2,278,004	194,859	-	253,291	220,812	205,087	
413,000	-	1,735,880	-	-	-	
143,220	139,985	145,150	105,510	(26,960)	(69,066)	
83,513,750	82,498,135	85,785,931	85,583,698	89,260,907	91,403,041	
128,419	120,180	117,829	112,595	93,732	96,154	
(143,220)	(139,985)	(145,150)	(105,510)	26,960	69,066	
(14,801)	(19,805)	(27,321)	7,085	120,692	165,220	
83,498,949	82,478,330	85,758,610	85,590,783	89,381,599	91,568,261	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(1,044,276)	(6,172,807)	(1,559,451)	(2,242,152)	202,568	(2,647,227)	
379,394	742,441	451,990	(833,598)	(1,304,721)	(1,040,794)	
\$ (664,882)	\$ (5,430,366)	\$ (1,107,461)	\$ (3,075,750)	\$ (1,102,153)	\$ (3,688,021)	

**Town of Windsor, Connecticut**

**Program Revenues by Function/Program  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(unaudited)**

Function/Program	Fiscal Year			
	2007	2008	2009	2010
<b>Governmental activities:</b>				
General government	\$ 6,502,962	\$ 6,445,525	\$ 2,462,747	\$ 2,790,122
Culture & recreation	1,301,847	929,145	1,260,942	987,365
Human services	274,156	281,304	273,688	207,975
Public works	743,092	271,792	345,626	189,302
Education	17,618,956	21,329,761	23,199,876	23,980,594
Public safety	614,485	653,348	520,018	438,340
<b>Total governmental activities</b>	<b>27,055,498</b>	<b>29,910,875</b>	<b>28,062,897</b>	<b>28,593,698</b>
<b>Business-type activities:</b>				
Landfill	4,020,021	3,645,534	2,064,217	2,544,966
Child development	1,146,713	1,168,468	1,242,989	1,236,607
Adult caring connection	600,271	645,399	744,902	743,707
Resident transfer station	-	-	-	-
<b>Total business-type activities</b>	<b>5,767,005</b>	<b>5,459,401</b>	<b>4,052,108</b>	<b>4,525,280</b>
<b>Total government</b>	<b>\$ 32,822,503</b>	<b>\$ 35,370,276</b>	<b>\$ 32,115,005</b>	<b>\$ 33,118,978</b>

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 2,227,195	\$ 1,894,537	\$ 3,147,842	\$ 2,446,044	\$ 1,615,067	\$ 1,655,457	
954,463	872,737	891,663	1,036,579	1,388,741	1,413,481	
286,142	1,062,521	589,228	245,875	340,203	320,688	
709,661	682,764	610,838	2,325,946	2,334,885	1,018,370	
23,586,489	24,641,161	24,496,536	26,597,445	27,012,275	27,214,950	
305,538	825,376	635,924	1,114,955	864,457	599,484	
28,069,488	29,979,096	30,372,031	33,766,844	33,555,628	32,222,430	
2,595,208	2,521,914	2,031,394	1,515,475	164,725	190,682	
1,324,437	1,254,844	1,282,770	1,135,806	1,160,654	1,089,127	
635,673	623,817	529,323	457,350	389,514	450,090	
-	-	-	-	262,247	254,880	
4,555,318	4,400,575	3,843,487	3,108,631	1,977,140	1,984,779	
\$ 32,624,806	\$ 34,379,671	\$ 34,215,518	\$ 36,875,475	\$ 35,532,768	\$ 34,207,209	

**Town of Windsor, Connecticut**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
<b>General Fund:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved/designated	878,882	701,255	1,728,469	1,278,080
Unreserved	12,731,696	13,169,515	13,540,188	14,279,843
<b>Total General Fund</b>	<b>\$ 13,610,578</b>	<b>\$ 13,870,770</b>	<b>\$ 15,268,657</b>	<b>\$ 15,557,923</b>
<b>All other governmental funds:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	2,727,171	2,589,674	2,638,450	7,846,160
Unreserved, reported in:				
Special revenue funds	3,120,411	3,773,977	3,648,238	4,220,432
Debt service funds	374,557	316,212	326,750	668,453
Capital projects funds	4,959,362	5,897,137	4,296,255	1,010,734
<b>Total all other government funds</b>	<b>\$ 11,181,501</b>	<b>\$ 12,577,000</b>	<b>\$ 10,909,693</b>	<b>\$ 13,745,779</b>

\* The Town implemented GASB 54 in Fiscal Year 2011.

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 35,544	\$ 48,934	\$ 42,679	\$ 46,154	\$ 31,213	\$ 21,599	
-	-	-	-	-	-	
-	-	-	-	-	-	
3,395,259	3,238,973	3,939,957	3,795,689	4,621,032	4,727,980	
14,938,155	15,316,230	16,928,714	17,347,987	18,974,637	19,642,852	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 18,368,958</u>	<u>\$ 18,604,137</u>	<u>\$ 20,911,350</u>	<u>\$ 21,189,830</u>	<u>\$ 23,626,882</u>	<u>\$ 24,392,431</u>	
\$ 21,305	\$ 21,243	\$ 22,540	\$ 16,642	\$ 22,215	\$ 22,102	
5,870,907	6,678,693	9,485,602	7,270,412	7,609,527	5,908,543	
3,614,944	3,683,551	2,755,322	6,467,975	6,834,753	5,780,688	
1,537,355	1,044,687	1,193,709	733,674	988,230	1,305,355	
(6,370)	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 11,038,141</u>	<u>\$ 11,428,174</u>	<u>\$ 13,457,173</u>	<u>\$ 14,488,703</u>	<u>\$ 15,454,725</u>	<u>\$ 13,016,688</u>	

Town of Windsor, Connecticut

**Changes In Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues:</b>				
Property taxes	\$ 68,138,291	\$ 71,336,266	\$ 76,562,176	\$ 75,182,401
Intergovernmental	23,124,106	26,644,488	26,222,871	26,801,211
Charges for services	8,323,821	6,029,904	4,861,097	4,702,674
Investment income	2,617,648	2,141,587	974,090	271,212
Other	389,254	880,872	431,184	1,233,260
<b>Total revenues</b>	<b>102,593,120</b>	<b>107,033,117</b>	<b>109,051,418</b>	<b>108,190,758</b>
<b>Expenditures:</b>				
Education	62,350,202	66,572,503	68,513,854	70,143,336
General government	10,395,260	10,469,204	10,246,729	10,573,779
Culture & recreation	3,237,562	3,518,880	3,709,140	3,584,459
Human services	1,382,043	1,456,296	1,515,876	1,451,375
Public safety	8,367,585	8,580,942	8,799,842	8,730,084
Public works	5,457,772	5,500,331	5,820,515	5,622,128
Capital outlay	3,100,481	6,974,255	4,729,743	4,310,522
Debt service:				
Principal	3,805,000	4,225,000	4,363,000	4,500,000
Interest	1,847,399	1,823,015	1,908,961	1,359,963
<b>Total expenditures</b>	<b>99,943,304</b>	<b>109,120,426</b>	<b>109,607,660</b>	<b>110,275,646</b>
<b>Excess of revenues over (under) expenditures</b>	<b>2,649,816</b>	<b>(2,087,309)</b>	<b>(556,242)</b>	<b>(2,084,888)</b>
<b>Other financing sources (uses):</b>				
Transfers in	7,142,489	7,949,387	9,435,672	6,859,290
Transfers out	(7,142,489)	(7,949,387)	(9,345,672)	(6,716,700)
Issuance of long-term debt	1,555,000	3,743,000	18,625,000	4,680,000
Proceeds of refunding bonds	-	-	776,854	12,305,000
Payment to refunded bond escrow agent	-	-	(19,205,032)	(13,442,569)
Premium on long-term debt	-	-	-	1,525,219
Insurance recoveries	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,555,000</b>	<b>3,743,000</b>	<b>286,822</b>	<b>5,210,240</b>
<b>Extraordinary items:</b>				
State teacher's on-behalf payments	-	(16,366,000)	-	-
State teacher's on-behalf revenues	-	16,366,000	-	-
	-	-	-	-
<b>Net changes in fund balance</b>	<b>\$ 4,204,816</b>	<b>\$ 1,655,691</b>	<b>\$ (269,420)</b>	<b>\$ 3,125,352</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.2%</b>	<b>5.8%</b>	<b>6.0%</b>	<b>5.9%</b>

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 78,440,338	\$ 79,806,333	\$ 82,159,015	\$ 82,937,213	\$ 87,600,034	\$ 89,012,808	
25,995,554	28,686,687	26,822,777	29,594,262	29,500,467	28,777,471	
5,003,747	4,623,388	5,721,974	5,998,792	5,913,351	5,040,986	
290,418	194,860	169,312	158,936	154,803	200,456	
286,661	206,442	72,768	347,997	283,220	214,172	
110,016,718	113,517,710	114,945,846	119,037,200	123,451,875	123,245,893	
70,279,262	73,153,239	73,118,294	76,288,375	78,222,280	79,577,619	
11,622,565	11,195,751	11,967,491	11,841,838	11,938,793	12,582,285	
3,696,330	3,806,551	3,821,475	3,832,003	3,846,283	4,134,822	
1,518,488	2,302,111	1,546,568	1,498,358	1,535,992	1,523,607	
9,436,083	9,404,783	9,616,596	10,469,289	10,253,191	10,340,556	
6,064,157	5,587,772	5,771,330	5,996,003	6,151,695	6,178,277	
5,997,630	6,244,402	6,085,860	6,991,841	7,307,067	8,241,327	
4,735,000	4,505,000	4,365,000	4,750,000	4,995,000	5,530,000	
1,285,144	1,420,093	1,361,409	1,385,301	1,206,403	1,142,435	
114,634,659	117,619,702	117,654,023	123,053,008	125,456,704	129,250,928	
(4,617,941)	(4,101,992)	(2,708,177)	(4,015,808)	(2,004,829)	(6,005,035)	
6,508,008	8,141,148	6,364,650	6,929,510	7,926,800	7,646,638	
(6,364,788)	(8,001,163)	(6,219,500)	(6,824,000)	(7,953,760)	(7,715,704)	
4,490,000	4,490,000	5,035,000	5,020,000	5,370,000	4,285,000	
-	-	-	4,270,000	-	-	
-	-	-	(4,600,334)	-	-	
88,118	97,219	128,359	530,642	64,863	116,613	
-	-	1,735,880	-	-	-	
4,721,338	4,727,204	7,044,389	5,325,818	5,407,903	4,332,547	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 103,397	\$ 625,212	\$ 4,336,212	\$ 1,310,010	\$ 3,403,074	\$ (1,672,488)	
5.6%	5.2%	5.2%	5.3%	5.2%	5.5%	

Town of Windsor, Connecticut

**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(unaudited)**

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2007	\$ 53,728,711	\$ 8,179,172	\$ 5,764,603	\$ 67,672,486
2008	55,659,741	9,298,661	5,827,550	70,785,952
2009	59,125,526	10,709,068	5,641,311	75,475,905
2010	57,390,047	11,516,891	5,040,392	73,947,330
2011	59,571,009	11,957,985	5,126,981	76,655,975
2012	61,459,196	11,409,830	5,353,090	78,222,116
2013	62,467,035	12,246,223	5,627,680	80,340,938
2014	64,661,632	11,720,164	5,345,650	81,727,446
2015	64,835,051	14,418,008	6,266,457	85,519,516
2016	67,686,725	13,706,777	6,314,630	87,708,131

**Source:** Town records - current year.



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**Town of Windsor, Connecticut**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle
2007	\$ 1,290,055,340	\$ 325,320,740	\$ 204,604,820	\$ 30,552,480	\$ 332,285,896	\$ 181,808,230
2008	1,307,015,550	344,197,987	220,992,873	31,809,820	366,594,174	184,853,593
2009	1,338,018,870	412,253,460	320,434,590	7,076,440	424,977,643	190,257,671
2010*	1,616,431,530	509,934,800	369,068,280	7,429,030	488,125,018	185,708,117
2011	1,621,056,080	509,543,010	382,893,770	8,123,920	482,561,434	179,816,305
2012	1,630,202,820	504,790,600	388,136,560	9,985,920	498,401,457	187,173,933
2013	1,634,824,857	504,285,011	362,162,276	23,019,689	512,131,547	202,124,650
2014	1,637,936,539	500,883,081	375,632,698	23,413,950	496,967,702	196,802,690
2015*	1,419,837,126	452,415,067	375,679,055	32,198,250	531,939,149	202,874,570
2016	1,424,582,090	451,846,099	410,440,810	30,489,060	496,016,198	202,210,460

**Source:** Town Assessor's Records

\* Revaluation years

Total Gross Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Net Actual Taxable Assessed Value	Assessed Value as a Percentage of Actual Value	Estimated Actual Value
\$ 2,364,627,506	1.42%	29.30	\$ 2,303,286,906	56.74%	\$ 4,059,370,649
2,455,463,997	4.27%	29.30	2,401,738,780	50.73%	4,734,355,963
2,693,018,674	9.67%	29.30	2,590,539,164	54.00%	4,797,294,748
3,176,696,775	17.96%	28.34	2,923,858,605	70.00%	4,176,940,864
3,183,994,519	0.23%	28.38	2,937,138,218	65.33%	4,495,849,101
3,218,691,290	1.09%	28.03	2,976,694,924	71.01%	4,191,937,648
3,238,548,030	0.61%	27.95	2,976,438,194	72.03%	4,132,220,178
3,231,636,660	0.00%	27.33	3,014,279,336	72.94%	4,132,546,389
3,014,943,217	-6.70%	30.47	2,831,162,216	70.00%	4,044,517,451
3,015,584,717	0.00%	30.92	2,849,933,303	70.00%	4,071,333,290

**Town of Windsor, Connecticut**

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(unaudited)**

Taxpayer	2016			Taxpayer	2007		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Griffin Land & Affiliates	\$ 74,467,249	1	2.61%	Griffin Land & Affiliates	\$ 47,140,900	1	2.05%
Cigna	70,856,850	2	2.49%	Cigna	42,134,410	2	1.83%
Voya Retirement Insurance	60,367,098	3	2.12%	Cellco / Verizon Wireless	38,739,940	3	1.68%
Hartford Financial Corp.	55,070,353	4	1.93%	Stanadyne Corporation	35,538,560	4	1.54%
Cellco/Verizon Wireless	44,307,016	5	1.55%	IBM & Affiliates	30,766,360	5	1.34%
Northeast Utilities & Affiliates	42,121,713	6	1.48%	Ferraina & Affiliates	26,517,680	6	1.15%
Walgreen Eastern	40,748,295	7	1.43%	Valassis Inc.	26,355,230	7	1.14%
Dollar Tree Distribution	38,960,176	8	1.37%	ABB Combustion	22,201,600	8	0.96%
IBM & Affiliates	36,303,264	9	1.27%	Windsor Marriot	20,476,390	6	0.89%
KTR CT I LLC (Amazon)	35,864,990	10	1.26%	C L & P & Affiliates	19,224,540	10	0.83%
<b>Total</b>	<b>\$ 499,067,004</b>		<b>17.51%</b>		<b>\$ 309,095,610</b>		<b>13.42%</b>

Source: Town Assessor's Records

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**Town of Windsor, Connecticut**

**Property Tax Levies And Collections  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year Ended June 30,	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2007	2005	\$ 68,003,799	\$ 67,097,273	98.67
2008	2006	70,937,721	70,073,117	98.78
2009	2007	76,374,720	75,475,905	98.82
2010	2008	74,984,463	73,947,330	98.62
2011	2009	77,747,082	76,655,975	98.60
2012	2010	79,201,382	78,222,116	98.76
2013	2011	81,403,784	80,340,938	98.69
2014	2012	82,919,994	81,727,446	98.56
2015	2013	86,548,952	85,519,516	98.81
2016	2014	88,799,152	87,708,131	98.77

**Source:** Town Tax Records

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 694,922	\$ 67,792,195	99.69
696,507	70,769,624	99.76
795,628	76,271,533	99.86
964,735	74,912,065	99.90
1,082,044	77,738,019	99.99
844,524	79,066,640	99.83
906,711	81,247,649	99.81
972,539	82,699,985	99.73
577,682	86,097,198	99.48
-	87,708,131	98.77

**Town of Windsor, Connecticut**

**Ratios of Net General Bonded Debt Outstanding by Type  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	Governmental Activities			Percentage of Assessed Property Value	Debt Per Capita	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt				
2007	\$ 44,225,000	\$ -	\$ 44,225,000	1.84%	1,536	N/A	N/A
2008	43,743,000	-	43,743,000	1.82%	1,510	N/A	N/A
2009	39,265,000	-	39,265,000	1.52%	1,355	N/A	N/A
2010	38,730,000	-	38,730,000	1.47%	1,335	N/A	N/A
2011	38,485,000	-	38,485,000	1.40%	1,326	N/A	N/A
2012	38,470,000	-	38,470,000	1.37%	1,323	N/A	N/A
2013	39,140,000	-	39,140,000	1.35%	1,344	N/A	N/A
2014	39,390,000	-	39,390,000	1.31%	1,352	N/A	N/A
2015	39,765,000	-	39,765,000	1.40%	1,350	N/A	N/A
2016	39,048,733 <sup>(1)</sup>	-	39,048,733 <sup>(1)</sup>	1.37%	1,346	N/A	N/A

Source: Town Records

N/A - Not Available.

<sup>(1)</sup> Presented inclusive of original issuance discounts and premiums. See Note 7, Long-Term Liabilities.



**Town of Windsor, Connecticut**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended June 30, 2016  
(unaudited)**

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Overlapping Debt			
Metropolitan District Commission	\$ 914,104,156	8.74%	\$ 79,892,703
Town Direct Debt	\$ 39,048,733 <sup>(1)</sup>	100.00%	<u>39,048,733</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 118,941,436</u></u>

<sup>(1)</sup> Presented inclusive of original issuance discounts and premiums. See Note 7, Long-Term Liabilities,

Source: Metropolitan District Commission

Note: Metropolitan District Commission overlapping debt for each member town is divided among the member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years. Town of Windsor reports overlapping debt on a net basis.

**Town of Windsor, Connecticut**

**Legal Debt Margin Information  
Last Ten Fiscal Years  
(dollars in thousands)  
(unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
Debt Limit	\$ 476,993,454	\$ 499,151,226	\$ 536,255,608	\$ 526,352,659
Total Net Debt Applicable to Limit	45,410,454	44,834,962	42,111,696	38,999,068
Legal Debt Margin	431,583,000	454,316,264	494,143,912	487,353,591
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>9.52%</b>	<b>8.98%</b>	<b>7.85%</b>	<b>7.41%</b>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 548,417,030	\$ 558,620,279	\$ 575,584,195	\$ 580,123,306	\$ 613,508,525	\$ 646,418,598
41,172,198	41,436,366	42,990,371	40,910,625	40,405,000	39,360,000
507,244,832	517,183,913	532,593,824	539,212,681	573,103,525	607,058,598
7.51%	7.42%	7.47%	7.05%	6.59%	6.09%

**Town of Windsor, Connecticut**

**Schedule of Debt Limitation  
June 30, 2016  
(unaudited)**

Total tax collections (including interest and lien fees) for the year ended June 30, 2016	\$ 92,345,514
Reimbursement for revenue loss	
Tax relief for elderly	<u>-</u>
Base	<u>\$ 92,345,514</u>
Debt Limit	<u><u>\$ 646,418,598</u></u>

	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
<b>Debt Limitation</b>					
2-1/4 times base	\$ 207,777,407	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	415,554,813	-	-	-
3-3/4 times base	-	-	346,295,678	-	-
3-1/4 times base	-	-	-	300,122,921	-
3 times base	-	-	-	-	277,036,542
<b>Total debt limitation</b>	<u>207,777,407</u>	<u>415,554,813</u>	<u>346,295,678</u>	<u>300,122,921</u>	<u>277,036,542</u>
<b>Debt as defined by statute</b>					
Bonds payable	26,346,000	12,174,000	-	-	-
Bond anticipation notes payable	280,000	170,000	-	-	-
School construction grants	-	-	-	-	-
Bonds authorized but not issued	170,000	220,000	-	-	-
<b>Total indebtedness</b>	<u>26,796,000</u>	<u>12,564,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u><u>\$ 180,981,407</u></u>	<u><u>\$ 402,990,813</u></u>	<u><u>\$ 346,295,678</u></u>	<u><u>\$ 300,122,921</u></u>	<u><u>\$ 277,036,542</u></u>

**Town of Windsor, Connecticut**

**Calculation of Direct Debt and Current Debt Ratios  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	Population	Governmental Activities					Total Overall Debt (1) (3)	Direct Debt Per Capita	Net Direct Debt Per Capita	Overall Net Debt Per Capita	Net Taxable Grand List (2)	Direct Debt to Net Taxable G/L	Net Direct Debt to Net Taxable G/L	Overall Total Debt to Net Taxable G/L
		General Obligation Bonds	Notes	Total Direct Debt	State Grants Receivable	Net Direct Debt								
2007	28,800	\$ 44,225,000	\$ 1,950,000	\$ 46,175,000	\$ 2,106,546	\$ 44,068,454	\$ 1,603	\$ 1,530	\$ 1,773	\$ 2,302,560,156	2.01%	1.91%	2.22%	
2008	28,977	43,743,000	2,345,000	46,088,000	1,593,038	44,494,962	1,591	1,536	1,920	2,401,738,780	1.92%	1.85%	2.32%	
2009	28,977	39,265,000	3,535,000	42,800,000	1,253,304	41,546,696	1,477	1,434	1,854	2,590,539,164	1.65%	1.60%	2.07%	
2010	29,014	38,730,000	-	38,730,000	915,932	37,814,068	1,335	1,303	1,939	2,635,622,104	1.47%	1.43%	2.13%	
2011	29,014	38,485,000	1,010,000	39,495,000	572,802	38,922,198	1,361	1,341	2,222	2,724,614,072	1.45%	1.43%	2.37%	
2012	29,067	38,470,000	800,000	39,270,000	273,634	38,996,366	1,351	1,342	2,616	2,811,979,697	1.40%	1.39%	2.70%	
2013	29,119	39,140,000	1,670,000	40,810,000	109,629	40,700,371	1,401	1,398	3,068	2,907,640,693	1.40%	1.40%	3.07%	
2014	29,140	39,390,000	-	39,390,000	54,375	39,335,625	1,352	1,350	3,271	3,013,897,453	1.31%	1.31%	3.16%	
2015	29,454	39,765,000	420,000	40,185,000	-	40,185,000	1,364	1,364	3,123	2,831,162,216	1.42%	1.42%	3.25%	
2016	29,016	38,520,000	-	38,520,000	-	38,520,000	1,328	1,328	4,081	2,849,933,303	1.35%	1.35%	4.15%	

(1) Includes net overlapping Debt and Underlying Debt related to the Metropolitan District Commission.

(2) Gross taxable Grand List for FY 16 is \$3,015,584,717.

(3) Unamortized premium for 6/30/16 is \$528,733.

Note: Data is presented in accordance with the Town's continuing disclosure agreement.

**Town of Windsor, Connecticut**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year Ended June 30	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2007	28,800	N/A	33,242	41.2	4,150	4.1%
2008	28,977	N/A	35,339	41	4,098	4.2%
2009	28,977	N/A	36,124	41.7	3,966	8.0%
2010	29,014	N/A	36,595	43.1	3,759	8.5%
2011	29,014	N/A	34,899	41.9	3,627	8.7%
2012	29,067	N/A	33,487	42.2	3,504	8.3%
2013	29,119	N/A	N/A	N/A	3,370	8.1%
2014	29,140	N/A	35,594	42.3	3,252	6.5%
2015	29,454	N/A	35,857	42.3	3,145	5.1%
2016	29,016	N/A	36,048	42.2	3,203	5.7%*

(1) U.S. Census Bureau (available every 10 years, 2010 being the most recent) and State of Connecticut Department of Public Health

(2) American Community fact finder 3 year estimates

(3) American Community fact finder 3 year estimates

(4) Windsor Public Schools Records

(5) Connecticut Department of Labor

N/A - Not Available.

\* As of July 2016

**Town of Windsor, Connecticut**

**Principal Employers  
Current Year and Nine Years Ago  
(unaudited)**

Employer	2016			Employer	2007		
	Employees	Rank	Percentage of Total Town Employment		Employees	Rank	Percentage of Total Town Employment
Hartford Life	2,200	1	8.84%	Alstom Power Systems	1,170	1	6.26%
VOYA	1,720	2	6.91%	Hartford Life	930	2	4.97%
GE (Alstom)	1,050	3	4.22%	Aetna	900	3	4.81%
CIGNA	1,000	4	4.02%	Town of Windsor	881	4	4.71%
Town of Windsor	872	5	3.50%	Stanadyne, Inc.	820	5	4.39%
Amazon.com	800	6	3.22%	UTC / Pratt & Whitney	800	6	4.28%
Walgreen Co.	660	7	2.65%	ADVO, Inc.	590	7	3.16%
Eversource	600	8	2.41%	American Airlines	530	8	2.83%
Waste Management	500	9	2.01%	Westinghouse Electric Company	520	9	2.78%
Konica Minolta	450	10	1.81%	Bank of America	420	10	2.25%

**Sources:** Town Records

**Town of Windsor, Connecticut**

**Full-Time Equivalent Town Government Employees By Functions/Programs  
Last Ten Fiscal Years  
(unaudited)**

	Full-Time Equivalent Employees as of June 30				
	2007	2008	2009	2010	2011
Police					
Administration	6.00	6.00	6.00	6.00	6.00
Support Services	11.00	11.00	12.00	10.00	7.50
Uniformed Patrol	46.30	46.30	45.30	47.60	48.60
Communications	N/A	N/A	N/A	N/A	N/A
Animal Control	1.00	1.00	1.00	1.00	1.00
Fire					
Fire and Rescue Services	1.00	1.00	1.00	1.00	1.00
Parks and Recreation					
Recreation	16.04	16.85	16.70	15.48	15.40
Youth Services Bureau	2.00	1.85	2.23	2.46	3.26
Northwest Park Education/Recreation	5.63	5.23	5.20	5.75	5.94
Northwest Park Facility/Property Mgt.	2.47	1.97	2.00	2.23	2.40
Human Services					
Senior Services	5.48	6.37	7.02	2.79	2.81
Transportation	N/A	N/A	N/A	6.24	5.95
Healthy People Program	1.45	N/A	N/A	N/A	N/A
Social Services	6.70	6.17	6.84	6.19	5.78
Health Services					
Inspection and Regulation	2.12	2.66	2.89	2.90	2.51
Disease Prevention and Control	1.42	1.46	1.47	1.48	1.38
Clinic Services	0.58	0.65	0.62	0.62	0.61
Emergency Management	0.38	0.00	0.00	0.00	0.00
Library Services					
Adult and Teen Services	10.67	11.17	11.17	10.84	10.94
Main Library	1.25	0.60	0.60	0.60	0.79
Children's Services	3.57	3.75	3.75	3.75	3.95
Wilson Services	3.45	3.45	3.45	3.23	3.23
Development Services					
Building Safety	6.25	6.25	6.25	6.13	6.47
Economic Development	1.00	1.00	1.00	1.16	1.11
Planning	4.00	4.00	4.00	4.00	4.00
Design Services	5.90	5.90	5.90	5.85	5.73
Public Works					
Parks and Grounds	11.50	11.50	12.75	13.00	12.90
Facilities Management	4.05	4.40	4.30	3.30	3.35
Pavement	8.00	8.00	8.10	8.00	8.00
Stormwater Drainage	3.00	3.00	3.00	3.00	3.00
Traffic Safety and Community Support	7.00	7.00	7.00	7.00	7.00
Equipment Repair	3.40	3.40	3.40	3.40	2.84
Information Services					
Town Clerk	3.20	3.20	3.20	3.20	3.20
Public Relations	1.00	1.00	1.00	1.00	1.00
Administrative Services					
Financial Accounting and Reporting	7.12	6.75	6.75	7.40	7.03
Human Services	3.00	3.00	3.00	3.00	3.07
Information Technology	3.00	3.00	3.00	3.00	3.00
Risk Management	1.00	1.00	1.00	1.00	1.00
Property Valuation	3.00	3.00	3.00	2.00	2.00
Tax Collection	2.54	2.54	2.54	2.54	2.62
General Government					
Town Manager	3.40	3.40	3.40	3.40	3.40
Town Treasurer	0.25	0.25	0.25	0.25	0.25



Full-Time Equivalent Employees as of June 30

2012	2013	2014	2015	2016
6.00	6.00	6.00	6.00	6.50
9.00	9.00	9.00	9.00	7.33
40.00	39.00	39.00	41.50	41.69
7.60	7.60	7.77	7.60	8.10
1.00	1.10	1.10	1.10	1.10
1.00	1.00	1.00	1.00	1.00
15.18	15.41	15.98	16.99	17.79
3.63	3.82	3.55	3.10	2.94
5.13	5.80	5.75	6.00	5.90
2.38	2.29	2.13	2.06	1.99
2.81	2.80	3.07	3.08	3.08
6.00	5.80	5.68	5.91	6.08
N/A	N/A	N/A	NA	NA
5.96	6.14	6.13	6.23	6.01
1.97	2.85	2.90	3.00	2.74
1.34	1.48	1.48	1.47	1.46
0.64	0.67	0.62	0.63	0.63
0.00	0.00	0.00	0.00	0.00
10.79	10.64	10.64	10.84	10.64
0.79	0.79	0.79	0.79	0.79
3.95	3.95	3.95	3.75	3.95
3.23	3.23	3.11	3.23	3.23
6.09	6.00	6.00	6.00	5.81
1.09	1.04	1.10	1.16	1.16
4.00	3.70	3.82	4.00	4.00
5.85	5.56	5.68	5.70	5.20
12.03	13.20	12.99	13.20	13.20
3.35	3.60	3.60	3.25	3.55
8.00	8.00	7.73	8.00	7.84
3.00	3.00	3.00	3.00	3.00
6.58	7.00	7.00	7.00	6.75
3.40	3.40	3.40	3.45	3.45
3.10	3.10	3.02	3.10	2.88
1.00	1.00	1.00	1.00	1.00
7.03	6.67	6.65	6.68	6.40
3.00	3.00	3.00	3.00	3.48
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.48	2.53	2.53	2.55
2.80	2.79	2.90	2.99	2.90
3.40	3.40	3.40	3.40	3.40
0.21	0.21	0.21	0.21	0.21

(Continued)

**Town of Windsor, Connecticut**

**Full-Time Equivalent Town Government Employees By Functions/Programs, Continued  
Last Ten Fiscal Years  
(Unaudited)**

<u>Functions/Program</u>	Full-Time Equivalent Employees as of June 30				
	2007	2008	2009	2010	2011
Landfill Enterprise Fund					
Landfill	8.60	8.60	8.60	7.60	6.70
Transfer Station	N/A	N/A	N/A	N/A	N/A
Adult Daycare Enterprise Fund					
Administration	1.00	1.00	1.00	1.08	1.80
Nursing	4.00	3.75	4.00	4.58	4.47
Social Work	1.00	1.00	1.00	1.08	N/A
Therapeutic Recreation	1.50	1.50	1.50	1.58	1.58
Transportation	3.75	3.75	3.75	N/A	N/A
Child Development Enterprise Fund					
Infant/Toddler Programs	5.64	5.69	5.70	5.70	6.10
Preschool/Kindergarten Programs	9.76	9.56	9.95	9.80	9.40
Elementary Programs	4.35	3.75	3.35	3.35	3.35
Community Development					
Community Development (CDBG)	2.00	2.00	2.00	2.00	2.00
Grants	-	-	-	-	-
<b>Total</b>	<b>251.72</b>	<b>249.67</b>	<b>252.93</b>	<b>248.56</b>	<b>245.42</b>

Source: Town Payroll Actual Data  
N/A - Not Available.

Full-Time Equivalent Employees as of June 30

2012	2013	2014	2015	2016
6.15	6.65	6.65	6.75	5.00
N/A	N/A	N/A	0.91	0.88
1.48	1.48	1.45	1.29	1.29
4.22	3.83	3.82	3.37	3.40
N/A	N/A	N/A	NA	NA
1.30	1.30	1.29	1.25	1.00
N/A	N/A	N/A	NA	NA
6.10	5.41	5.15	5.32	6.90
9.40	9.59	9.51	8.53	7.36
3.35	3.19	2.69	3.05	2.59
2.00	2.00	2.00	2.00	2.00
-	-	-	-	-
242.33	243.97	243.24	247.42	244.15

**Town of Windsor, Connecticut**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(unaudited)**

Function/Program	2007	2008	2009	2010
<b>Police</b>				
Calls for service	48,751	47,869	52,451	60,100
Adult arrest	2,094	1,946	1,653	1,712
Juvenile arrest	114	95	77	69
Speeding citations only	254	N/A	N/A	N/A
Traffic citations	5,768	4,018	4,339	4,832
<b>Fire</b>				
Total fire runs	899	1,108	1,150	1,031
Total rescue runs	322	350	325	357
<b>Building safety</b>				
Total Permits Issued	2,002	1,662	1,595	1,808
Total construction value all permits	\$ 270,879,957	\$ 154,596,155	\$ 75,615,985	\$ 76,261,429
Library, volumes in collection	132,289	136,905	124,029	124,667
<b>Parks and Recreation</b>				
Recreation program attendance	8,272	9,948	9,000	8,000
Aquatics program attendance	2,000	2,000	2,100	2,400
Total aquatic facility users	N/A	N/A	N/A	N/A

**Source Town Records**

N/A - Not Available.

<sup>(1)</sup> Rescue/Medical calls previously handled by Town Fire Department now handled by Windsor Volunteer Ambulance.

	2011	2012	2013	2014	2015	2016
	53,677	51,847	48,128	49,105	48,832	40,765
	1,838	1,597	1,071	1,111	637	652
	92	177	113	97	100	85
	N/A	196	496	311	936	351
	3,572	3,145	4,486	3,322	3,692	1,916
	1,080	972	936	963	1,142	1,131
	297	265	211	286	248	143 <sup>(1)</sup>
	1,673	1,895	1,551	1,856	1,987	2,217
\$	48,760,775	\$ 32,801,790	\$ 132,583,363	\$ 126,240,054	\$ 57,791,878	\$ 54,610,634
	129,448	160,502	163,532	168,332	168,312	157,144
	9,630	8,138	8,500	12,000	12,965	13,365
	2,800	2,000	2,150	2,500	2,200	2,200
	20,880	19,500	19,750	21,000	18,000	18,000

**Town of Windsor, Connecticut**

**Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years  
(unaudited)**

Function/Program	2007	2008	2009	2010
Police				
Stations	1	1	1	1
Zone Offices	1	1	1	1
Fire, Fire Stations	5	5	5	5
Public Works:				
Streets (Miles)	138	138	138	138
Traffic Signals*	50	50	50	50
Parks & Recreation				
Acreage	1,500	1,500	1,500	1,500
Parks	23	23	23	23
Baseball/Softball Diamonds	20	20	20	20
Soccer/Football Fields	17	17	17	17
Tennis Courts	21	21	21	21
Swimming Pools	4	4	4	4
Parks with Playground Equipment	14	14	14	14
Picnic Shelters	3	3	3	3
Community Centers	1	2	2	2
Library				
Facilities	2	2	2	2
Volumes	132,289	136,905	124,029	124,667

**Source:** Town Records

N/A - Not Available.

\* FY16 reflects town owned traffic signals

2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
138	138	138	138	149.3	149.3
50	50	50	50	50	22
1,500	1,500	1,500	1,500	1,500	1,500
23	23	23	23	23	23
20	20	20	20	20	20
17	17	17	17	17	17
21	21	19	19	19	19
4	4	4	4	4	4
14	14	14	14	14	14
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
129,448	160,502	163,532	168,332	168,312	157,144

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